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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 16, 2024

ILEARNINGENGINES, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-40129	85-3961600
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

6701 Democracy Blvd., Suite 300, Bethesda, Maryland	20817
(Address of principal executive offices)	(Zip Code)

(650) 248-9874
(Registrant's telephone number, including area code)

Arrowroot Acquisition Corp.
4553 Glencoe Avenue, Suite 200
Marina Del Rey, CA 90292
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	**AILE**	**Nasdaq Capital Market**
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of $11.50 per share	**AILEW**	**Nasdaq Capital Market**

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

Emerging growth company ☒

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

INTRODUCTORY NOTE

Capitalized terms used in this Current Report on Form 8-K but not otherwise defined herein shall have the meanings ascribed to those terms in the Proxy Statement/Prospectus.

Merger

iLearningEngines, Inc. (formerly known as Arrowroot Acquisition Corp. ("ARRW")), a Delaware corporation ("New iLearningEngines" or the "Company"), previously entered into that certain Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023 (as amended, the "Merger Agreement"), with ARAC Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of ARRW ("Merger Sub") and iLearningEngines Holdings, Inc. (formerly known as iLearningEngines Inc.), a Delaware corporation ("Legacy iLearningEngines"). In connection with the business combination contemplated by the Merger Agreement, ARRW filed a registration statement on Form S-4 (File No. 333-274333) (as amended, the "Registration Statement") with the U.S. Securities and Exchange Commission (the "SEC"). On February 2, 2024, the Registration Statement was declared effective by the SEC and on February 5, 2024, ARRW filed a Definitive Proxy Statement/Prospectus (as further supplemented by Supplement No. 1 thereto dated February 6, 2024, Supplement No. 2 thereto dated March 13, 2024 and Supplement No. 3 thereto dated March 28, 2024 ("Supplement No. 3") (the "Proxy Statement/Prospectus").

On April 16, 2024 (the "Closing Date"), as contemplated in the Merger Agreement and described in the section titled "*Proposal No. 1 – The Business Combination Proposal*" beginning on page 126 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Proposal No. 1 — The Business Combination Proposal*", New iLearningEngines consummated the merger transactions contemplated by the Merger Agreement, following the approval by ARRW's stockholders at a special meeting of stockholders held on April 1, 2024 (the "ARRW Stockholder Meeting"), whereby Merger Sub merged with and into Legacy iLearningEngines with the separate corporate existence of Merger Sub ceasing (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Business Combination"). The closing of the Business Combination is herein referred to as "the Closing." In connection with the consummation of the Merger on the Closing Date, ARRW changed its name from Arrowroot Acquisition Corp. to iLearningEngines, Inc. and Legacy iLearningEngines changed its name from iLearningEngines Inc. to iLearningEngines Holdings, Inc.

As a result of the Merger and upon the Closing, among other things, (1) each share of Legacy iLearningEngines Common Stock issued and outstanding as of immediately prior to the Closing was exchanged for the right to receive the number of shares of common stock, par value $0.0001 per share, of New iLearningEngines ("New iLearningEngines Common Stock") equal to the exchange ratio of 0.8061480 (the "Exchange Ratio") for an aggregate of 77,242,379 shares of New iLearningEngines Common Stock; (2) each share of Legacy iLearningEngines Common Stock held in the treasury of Legacy iLearningEngines was cancelled without any conversion thereof and no payment or distribution was or will be made with respect thereto; (3) each Vested RSU was cancelled and converted into the right to receive, subject to settlement and delivery in accordance with the Legacy iLearningEngines equity incentive plan, a number of New iLearningEngines Common Stock equal to the Exchange Ratio, for an aggregate of 5,675,890 shares of New iLearningEngines Common Stock; (4) each Unvested RSU was cancelled and converted into the right to receive a number of restricted stock units issued by the New iLearningEngines equal to the Exchange Ratio ("New iLearningEngines Converted RSU Award"), with each New iLearningEngines Converted RSU Award subject to the same terms and conditions as were applicable to the original Legacy iLearningEngines restricted stock unit award, for an aggregate of 78,730 shares of New iLearningEngines Common Stock subject to New iLearningEngines RSU Awards; (5) each share of vested Legacy iLearningEngines restricted stock was converted into the right to receive a number of shares of New iLearningEngines Common Stock equal to the Exchange Ratio, for an aggregate of 290,447 shares of New iLearningEngines Common Stock; (6) each share of unvested Legacy iLearningEngines restricted stock was converted into the right to receive a number of restricted shares of New iLearningEngines Common Stock ("New iLearningEngines Converted Restricted Stock") equal to the Exchange Ratio, with substantially the same terms and conditions as were applicable to such unvested Legacy iLearningEngines restricted stock immediately prior to the Effective Time, which shares will be restricted subject to vesting on the books and records of Legacy iLearningEngines, for an aggregate of 32,151,912 shares of New iLearningEngines Converted Restricted Stock; and (7) each Convertible Note (as defined below) was converted into the right to receive a number of shares of New iLearningEngines Common Stock equal to the Note Balance (as defined in the Convertible Notes), *divided by* $10.00, for an aggregate of 13,060,608 shares of New iLearningEngines Common Stock.

Unless the context otherwise requires, "we," "us," "our" and the "Company" refer to New iLearningEngines and its consolidated subsidiaries following the Closing and references to "ARRW" refer to Arrowroot Acquisition Corp. at or prior to the Closing. All references herein to the "New iLearningEngines Board" refer to the board of directors of the Company after giving effect to the Business Combination.

In connection with the ARRW Stockholder Meeting (and related postponements) and the Business Combination, the holders of an aggregate of 460,114 shares of ARRW's Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), exercised their right to redeem their shares for cash at a redemption price of approximately $10.36 per share, for an aggregate redemption amount of approximately $4.8 million. Upon the Closing, the Company received approximately $52.7 million in gross proceeds, comprising approximately $5.9 million from the ARRW trust account, approximately $17.4 million from the 2023 Convertible Notes (as defined below) and approximately $29.4 million from the 2024 Convertible Notes (as defined below).

On April 16, 2024, upon the filing of New iLearningEngines' Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), each outstanding share of ARRW's Class A Common Stock and Class B common stock, par value $0.0001 per share (the "Class B Common Stock") was redesignated into one validly issued, fully paid and non-assessable share of New iLearningEngines Common Stock. In addition, at the Closing, ARRW instructed its transfer agent to separate its public units into their component securities, and, as a result, ARRW's public units no longer trade as a separate security and were delisted from The Nasdaq Stock Market LLC ("Nasdaq").

After giving effect to the Business Combination and the conversion of each Convertible Note, there (i) were 134,970,114 issued and outstanding shares of New iLearningEngines Common Stock, consisting of the following: (a) 77,242,379 shares issued to holders of Legacy iLearningEngines common stock immediately prior to the Effective Time; (b) 32,442,359 shares issued to holders of Legacy iLearningEngines restricted stock awards immediately prior to the Effective Time; (c) 13,060,608 shares issued to the holders of convertible notes immediately prior to the Effective Time; (d) 556,886 shares held by former ARRW Class A Common Stockholders; (e) 6,705,409 shares held by former ARRW Class B Common Stockholders; (f) an aggregate of 4,419,998 shares issued to Venture Lending & Leasing IX, Inc. ("Venture Lending") and WTI Fund X, Inc. ("WTI Fund X" and together with Venture Lending, the "Lenders") pursuant to the Second Omnibus Amendment to Loan Documents with In2vate, L.L.C. and the Lenders; (g) an aggregate of 82,091 shares issued to certain investors pursuant to a non-redemption agreement with certain investors; and (h) an aggregate of 460,384 shares issued to the Sponsor; and (ii) warrants to purchase 22,624,975 shares of New iLearningEngines Common Stock, consisting of 14,374,975 public warrants, each exercisable for one share of New iLearningEngines Common Stock at a price of $11.50 per share, and 8,250,000 private warrants, each exercisable for one share of New iLearningEngines Common Stock at a price of $11.50 per share.

The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by the full text of the Merger Agreement (including amendments), copies of which are attached hereto as Exhibit 2.1, which is incorporated herein by reference.

Item 1.01. Entry into a Material Definitive Agreement.

Amended and Restated Registration Rights Agreement

On the Closing Date, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, New iLearningEngines, Arrowroot Acquisition LLC (the "Sponsor"), the independent directors of Arrowroot, and certain former stockholders of Legacy iLearningEngines and certain of their respective affiliates entered into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement"). Pursuant to the Amended and Restated Registration Rights Agreement, the Company agreed to file a registration statement to register for resale, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), certain New iLearningEngines securities that are held by the parties thereto (the "Registrable Securities"). Pursuant to the Amended and Restated Registration Rights Agreement, subject to certain requirements and customary conditions, the Company also grants piggyback registration rights and demand registration rights to the parties thereto, will pay certain expenses related to such registration and will indemnify the parties thereto against certain liabilities related to such registration. The Amended and Restated Registration Rights Agreement will terminate with respect to any party thereto, on the date that such party no longer holds any Registrable Securities. The terms of the Amended and Restated Registration Rights Agreement are described in the Proxy Statement/Prospectus in the section entitled "*Proposal No. 1 – The Business Combination Proposal – Certain Agreements Related to the Business Combination – Amended and Restated Registration Rights Agreement*" on page 172 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amended and Restated Registration Rights Agreement*".

The foregoing description of the Amended and Restated Registration Rights Agreement is qualified in its entirety by the full text of the Amended and Restated Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Indemnification Agreements

In connection with the Closing, the Company intends to enter into indemnification agreements with all of the Company's directors and executive officers.

These indemnification agreements, among other things, will require the Company to indemnify its directors and officers for expenses (including attorneys' fees), judgments, fines and settlement amounts that are incurred by a director or executive officer in any action or proceeding arising out of his or her service as one of the Company's directors or executive officers or any other company or enterprise to which the person provides services at the Company's request. The foregoing description of the indemnification agreements is not complete and is subject to and qualified in its entirety by reference to the form of indemnification agreement, a copy of which is attached hereto as Exhibit 10.15 and the terms of which are incorporated by reference herein.

Revolving Loan Agreement

On April 17, 2024 (the "Loan Closing Date"), Legacy iLearningEngines entered into a Loan and Security Agreement (the "Revolving Loan Agreement"), by and among Legacy iLearningEngines as borrower ("Borrower"), the lenders party thereto (the "Lenders") and East West Bank, as administrative agent and collateral agent for the Lenders ("Agent"). The Revolving Loan Agreement provides for (i) a revolving credit facility in an aggregate principal amount of up to $40.0 million and (ii) an uncommitted accordion facility allowing the Borrower to increase the revolving commitments by an additional principal amount of $20.0 at Borrower's option and upon Agent's approval (collectively, the "Revolving Loans"). Borrower drew $40.0 million in Revolving Loans on the Loan Closing Date, which was used (x) to repay in full Borrower's existing indebtedness under the (i) Loan and Security Agreement, dated as of December 30, 2020, between Legacy iLearningEngines and Venture Lending & Leasing IX, Inc., (ii) Loan and Security Agreement, dated as of October 21, 2021, between Legacy iLearningEngines, and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc. and (iii) Loan and Security Agreement, dated as of October 31, 2023, between Legacy iLearningEngines and WTI Fund X, Inc. (the "WTI Loan Agreements") and which will be used for (y) for general corporate purposes.

The obligations under the Revolving Loan Agreement are secured by a perfected security interest in substantially all of the Borrower's assets except for certain customary excluded property pursuant to the terms of the Revolving Loan Agreement. On the Loan Closing Date, the Company and In2Vate, L.L.C., an Oklahoma limited liability company (the "Guarantors") and wholly-owned subsidiary of Legacy iLearningEngines entered into a Guaranty and Suretyship Agreement (the "Guaranty") with the Agent, pursuant to which the Guarantors provided a guaranty of Borrower's obligations under the Revolving Loan Agreement and provided a security interest in substantially all of the Guarantors' assets except for certain customary excluded property pursuant to the terms of the Guaranty.

The interest rate applicable to the Revolving Loans is Adjusted Term SOFR (with an interest period of 1 or 3 months at the Borrower's option) plus 3.50% per annum, subject to an Adjusted Term SOFR floor of 4.00%.

The maturity date of the Revolving Loans is April 17, 2027. The Revolving Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Borrower is also required to comply with the following financial covenants, which are more fully set forth in the Revolving Loan Agreement (i) minimum liquidity, (ii) minimum revenue performance to plan, (iii) minimum fixed charge coverage ratio and (iv) maximum leverage ratio.

The Revolving Loan Agreement also includes customary events of default, including failure to pay principal, interest or certain other amounts when due, material inaccuracy of representations and warranties, violation of covenants, specified cross-default and cross-acceleration to other material indebtedness, certain bankruptcy and insolvency events, certain undischarged judgments, material invalidity of guarantees or grant of security interest, material adverse effect and change of control, in certain cases subject to certain thresholds and grace periods. If one or more events of default occurs and continues beyond any applicable cure period, the Agent may, with the consent of the Lenders holding a majority of the loans and commitments under the facility, or will, at the request of such Lenders, terminate the commitments of the Lenders to make further loans and declare all of the obligations of the Company under the Revolving Loan Agreement to be immediately due and payable.

The foregoing description of the Revolving Loan Agreement is not intended to be complete and is qualified in its entirety by reference to the Revolving Loan Agreement, a copy of which is attached as Exhibit 10.30 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

The information disclosed under the heading "Revolving Loan Agreement" under Item 1.01 is incorporated by reference into this Item 1.02. Upon payoff, the lenders under the WTI Loan Agreements received an aggregate amount of 159,379 shares of the Company's common stock in an aggregate amount equal to $22,386,394.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "*Introductory Note*" above is incorporated by reference into this Item 2.01.

Item 2.02. Results of Operations and Financial Condition

On April 22, 2024, the Company issued an earnings release to announce its financial results for the fourth quarter and fiscal year ended December 31, 2023. The earnings release is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

FORM 10 INFORMATION

Prior to the Closing, the Company was a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") with no operations, formed as a vehicle to effect a business combination with one or more operating businesses.

Item 2.01(f) of Form 8-K states that if the registrant was a shell company, as the Company was immediately before the Merger, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, the Company is providing below the information that would be included in a Form 10 if it were to file a Form 10. Please note that the information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

The Company makes forward-looking statements in this Current Report on Form 8-K and in documents incorporated herein by reference.

The Company's forward-looking statements include, but are not limited to, statements regarding the Company's, the Company's management team's, New iLearningEngines' and New iLearningEngines' management team's expectations, hopes, beliefs, intentions or strategies regarding the future, including those related to the Business Combination. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this Current Report on Form 8-K and in documents incorporated herein are based on the Company's current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (many of which are difficult to predict and beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- the ability to recognize the anticipated benefits of the Business Combination;
- the Company's projected financial information, business and operating metrics, anticipated growth rate and market opportunity;
- the ability to maintain the listing of the New iLearningEngines Common Stock and the warrants on the Nasdaq Capital Market, and the potential liquidity and trading of such securities;
- the risk that the Business Combination disrupts current plans and operations of the Company as a result of the consummation of the Business Combination;
- the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition and the ability of the Company to grow and manage growth profitably
- costs related to the Business Combination;

- changes in applicable laws or regulations;
- the Company's ability to execute its business model;
- the Company's ability to attract and retain customers and expand customers' use of the Company's products and services
- the Company's ability to raise capital;
- the possibility that the Company may be adversely affected by other economic, business and/or competitive factors
- the Company's success in retaining or recruiting, or changes required in, our officers, key employees or directors after the Business Combination;
- the Company's estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the Company's business, operations and financial performance including:
    - the Company's history of operating losses and expectations of significant expenses and continuing losses for the foreseeable future;
    - the Company's ability to execute its business strategy, including the growth potential of the markets for the Company's products and the Company's ability to serve those markets;
    - the Company's ability to grow market share in its existing markets or any new markets it may enter;
    - the Company's ability to develop and maintain its brand and reputation;
- the Company's ability to partner with other companies;
- the Company's expectations regarding its ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- the ability of the Company to manage its growth effectively;
- the outcome of any legal proceedings that may be instituted against the Company; and
- unfavorable conditions in the Company's industry, the global economy or global supply chain, including financial and credit market fluctuations, international trade relations, pandemics, political turmoil, natural catastrophes, warfare (such as the war between Russia and Ukraine and the conflict between Israel and Hamas), and terrorist attacks.

These forward-looking statements are based on information available as of the date of this Current Report on Form 8-K, and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. Accordingly, forward-looking statements in this Current Report on Form 8-K and in any document incorporated herein by reference should not be relied upon as representing the Company's views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business and Properties

The business and properties of ARRW and Legacy iLearningEngines prior to the Business Combination are described in the Proxy Statement/Prospectus in the sections entitled "*Information about iLearningEngines*" beginning on page 196 and "*Information about Arrowroot*" beginning on page 246, respectively, of the Proxy Statement/Prospectus, which are incorporated herein by reference.

Risk Factors

The risks associated with the Company's business are described in the Proxy Statement/Prospectus in the section entitled "*Risk Factors*" beginning on page 48 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Supplemental Risk Factor Disclosure*", which is incorporated herein by reference.

Financial Information

The information set forth in Item 9.01 of this Current Report on Form 8-K concerning the financial information of ARRW and Legacy iLearningEngines is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and Results of Operations of Legacy iLearningEngines as of December 31, 2023 and 2022, and for the fiscal years ended December 31, 2023, 2022 and 2021 is set forth in Exhibit 99.3 hereto and is incorporated herein by reference.

Directors and Executive Officers

Information with respect to the Company's directors and executive officers after the Closing is set forth in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers After the Business Combination*" beginning on page 264 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination*", which is incorporated herein by reference. Additionally, interlocks and insider participation information regarding New iLearningEngines' executive officers is described in the Proxy Statement/Prospectus in the section titled "*Directors and Executive Officers After the Business Combination – Compensation Committee Interlocks and Insider Participation*" beginning on page 271 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination*" *– Compensation Committee Interlocks and Insider Participation*" and that information is incorporated herein by reference.

Directors

Immediately following the Closing, the size of the board of directors of the Company (the "New iLearningEngines Board") was set at seven members. Upon the Closing, each of Harish Chidambaran, Balakrishnan Arackal, Matthew Barger, Bruce Mehlman, Thomas Olivier, Ian Davis and Michael Moe were elected to serve as directors on the New iLearningEngines Board. The New iLearningEngines Board appointed Mr. Chidambaran as Chairman of the New iLearningEngines Board.

Messrs. Chidambaran and Arackal were appointed to serve as Class I directors, with terms expiring at the Company's first annual meeting of stockholders following the Closing; Messrs. Barger and Olivier were appointed to serve as Class II directors, with terms expiring at the Company's second annual meeting of stockholders following the Closing; and Messrs. Mehlman, Davis and Moe were appointed to serve as Class III directors, with terms expiring at the Company's third annual meeting of stockholders following the Closing. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers After the Business Combination*" beginning on page 264 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination*", which is incorporated herein by reference.

Independence of Directors

The New iLearningEngines Board has determined that each of Matthew Barger, Thomas Olivier, Bruce Mehlman, Ian Davis and Michael Moe qualify as "independent directors," as defined under the listing rules of Nasdaq (the "Nasdaq listing rules"), and that the Board consists of a majority of "independent directors," as defined under the rules of the SEC and Nasdaq listing rules relating to director independence requirements.

Information with respect to the Company's directors after the Closing is set forth in the Proxy Statement/Prospectus in the sections entitled "*Directors and Executive Officers After the Business Combination – Director Independence"* beginning on page 264 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination – Director Independence*", which is incorporated herein by reference.

Committees of the Board of Directors

Immediately following the Closing, the standing committees of the New iLearningEngines Board consist of an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee") and a nominating and corporate governance committee (the "Nominating and Corporate Governance Committee"). Each of the committees reports to the New iLearningEngines Board.

Following the Closing, the New iLearningEngines Board: (i) appointed Messrs. Barger, Moe and Davis to serve on the Audit Committee, with Mr. Barger as chair of the Audit Committee; (ii) Messrs. Mehlman and Davis to serve on the Compensation Committee, with Mr. Mehlman as chair of the Compensation Committee; and (iii) Messrs. Barger and Davis to serve on the Nominating and Corporate Governance Committee, with Mr. Davis as chair of the Nominating and Corporate Governance Committee.

Information with respect to the Committees of the New iLearningEngines Board after the Closing is set forth in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers After the Business Combination*" beginning on page 264 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination*", which is incorporated herein by reference.

Executive Officers

Prior to the Closing, the ARRW Board appointed the following individuals as the Company's executive officers: Harish Chidambaran to serve as Chief Executive Officer; S. Farhan Naqvi to serve as Chief Financial Officer and Treasurer; Balakrishnan Arackal to serve as President and Chief Business Officer; David Samuels to serve as Chief Legal Officer, Executive Vice President – Corporate Affairs and Secretary; and Ramakrishnan Parameswaran to serve as Senior Vice President – Technology and Products. The biographical information for the new executive officers is set forth in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers After the Business Combination*" beginning on page 264 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination*", which is incorporated herein by reference.

Executive Compensation

Information with respect to the compensation of Legacy iLearningEngines' executive officers prior to the Closing is set forth in the Proxy Statement/Prospectus in the section entitled "*iLearningEngines' Executive and Director Compensation*" beginning on page 209 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

The foregoing description of the compensation of the Company's executive officers is qualified in its entirety by the full text of the employment agreements of Messrs. Harish Chidambaran, Naqvi, Arackal, Parameswaran and Samuels, copies of which are attached hereto as Exhibit 10.4, Exhibit 10.5, Exhibit 10.6, Exhibit 10.7 and Exhibit 10.8, respectively, and incorporated herein by reference.

Director Compensation

Information with respect to the compensation of Legacy iLearningEngines' directors prior to the Closing is set forth in the Proxy Statement/Prospectus in the section entitled "*iLearningEngines' Executive and Director Compensation – 2023 Director Compensation* " beginning on page 216 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination – Non-Employee Director Compensation*", which is incorporated herein by reference.

None of our directors received any compensation for their service as a director in fiscal year 2023. The New iLearningEngines Board expects to review director compensation periodically to ensure that director compensation remains competitive such that we are able to recruit and retain qualified directors. We intend to develop a board of directors compensation program that is designed to align compensation with our business objectives and the creation of stockholder value, while enabling us to attract, retain, incentivize and reward directors who contribute to our long-term success.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to the Company regarding the actual beneficial ownership of New iLearningEngines Common Stock as of the Closing Date, after giving effect to the Closing, by:

- each person known by the Company to be the beneficial owner of more than 5% of the Company's outstanding shares New iLearningEngines Common Stock;
- each of the Company's executive officers and directors; and
- all executive officers and directors of the Company as a group.

Beneficial ownership is determined in accordance with SEC rules, which generally provides that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power with respect to the security. Under SEC rules, beneficial ownership includes securities that the individual or entity has the right to acquire, such as through exercise of stock options or warrants, within 60 days and are deemed to be outstanding and beneficially owned by the persons holding those options or warrants for the purpose of computing the number of shares beneficially owned and the percentage ownership of that person. They are not, however, deemed to be outstanding and beneficially owned for the purpose of computing the percentage ownership of any other person.

The beneficial ownership percentages set forth in the table below are based on 134,970,114 shares of New iLearningEngines Common Stock issued and outstanding as of the Closing Date and other than as noted below, do not take into account the issuance of any shares of New iLearningEngines Common Stock upon the exercise of 14,374,975 public warrants, each exercisable for one share of New iLearningEngines Common Stock at a price of $11.50 per share (the "Public Warrants") to purchase an aggregate of 14,374,975 shares of New iLearningEngines Common Stock, the 8,250,000 private warrants, each exercisable for one share of New iLearningEngines Common Stock at a price of $11.50 per share to purchase an aggregate of 8,250,000 shares of New iLearningEngines Common Stock or the unexercised stock options and unvested RSUs held by the individuals except as noted below. Unless otherwise noted in the footnotes to the following table, and subject to applicable community property laws, the persons and entities named in the table have sole voting and investment power with respect to their beneficially owned New iLearningEngines Common Stock.

Name of Beneficial Owner[1]	Number of Shares of New iLearningEngines Common Stock Beneficially Owned	Percentage of Outstanding New iLearningEngines Common Stock
Directors and Executive Officers		
Puthugramam "Harish" Chidambaran[2]	96,764,327	71.7%
S. Farhan Naqvi	–	*
Balakrishnan Arackal	–	*
David Samuels	–	*
Ramakrishnan Parameswaran	–	*
Matthew Barger[3]	845,465	*
Bruce Mehlman[4]	1,323,291	*
Thomas Olivier[5]	7,005,793	5.2%
Ian Davis	–	*
Michael Moe	–	*
All executive officers and directors after the business combination as a group (10 individuals)	105,938,876	78.5%
Five Percent Holder		
Preeta Chidambaran[2]	96,764,327	71.7%
Arrowroot Acquisition LLC[5]	7,005,793	5.2%

* Less than 1%

(1) Unless otherwise noted, the business address of each of the executive officers and directors of New iLearningEngines is c/o iLearningEngines, Inc., 6701 Democracy Blvd, Bethesda, MD 20817.

(2) Consists of 77,964,895 shares, including 27,590,898 shares of restricted stock subject to time-based vesting, held by Mr. Chidambaran, and 18,799,432 shares, including 4,561,014 shares of restricted stock subject to time-based vesting, held by Preeta Chidambaran, Mr. Chidambaran's wife and a former director of Legacy iLearningEngines.

(3) Consists of 845,465 shares held by MRB Capital LLC. Mr. Barger is the Managing Member of MRB Capital LLC, and has sole voting and investment discretion with respect to the shares held directly by MRB Capital LLC and may be deemed to have beneficial ownership of the shares held by them.

(4) Consists of 1,323,291 shares held directly by Mr. Mehlman.

(5) Consists of 7,005,793 shares held directly by Arrowroot Acquisition LLC (the "Sponsor"). Each of Matthew Safaii and Tom Olivier is a manager of the Sponsor, and as such has voting and investment discretion with respect to the securities held by the Sponsor and may be deemed to have beneficial ownership of the securities held directly by the Sponsor. Mr. Olivier disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

Certain Relationships and Related Transactions

On October 26, 2023, Legacy iLearningEngines issued an unsecured convertible promissory note with an aggregate principal amount of $3,000,000 (the "MRB Note") to MRB Capital LLC pursuant to the 2023 Convertible Note Purchase Agreement (as defined below). Matthew Barger, who became a director of the Company on April 16, 2024, is the Managing Member of MRB Capital LLC. Immediately prior to the Closing, the MRB Note converted into 845,465 shares of New iLearningEngines Common Stock pursuant to its own terms.

The certain relationships and related party transactions of the Company are described in the Proxy Statement/Prospectus in the sections entitled "*Certain iLearningEngines Relationships and Related Party Transactions*" and "*Certain Arrowroot Relationships and Related Party Transactions*" on pages 243 and 261, respectively, of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Legal Proceedings

There is no material litigation, arbitration or governmental proceeding currently pending against the Company or any members of its management team.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information and Holders

Prior to the Business Combination, ARRW's units, Common Stock and Public Warrants were historically quoted on the Nasdaq Capital Market under the symbols "ARRWU," "ARRW" and "ARRWW," respectively. On April 17, 2024, the New iLearningEngines Common Stock and the Public Warrants began trading on the Nasdaq Capital Market under the new trading symbols "AILE" and "AILEW", respectively. On the Closing Date, the CUSIP numbers relating to the New iLearningEngines Common Stock and Public Warrants changed to 45175Q106 and 45175Q114, respectively.

As of the Closing Date and following the consummation of the Business Combination, the Company had 134,970,114 shares of New iLearningEngines Common Stock issued and outstanding held of record by 90 holders and 14,374,975 Public Warrants outstanding and held of record by one holder. As of the Closing Date and following the consummation of the Business Combination, ARRW's units ceased trading on the Nasdaq Capital Market and were separated into their component securities upon consummation of the Business Combination and no fractional warrants were issued upon the separation.

Dividends

The Company has not paid any cash dividends on the ARRW Common Stock or New iLearningEngines Common Stock to date. Subject to the rights of holders of any series of preferred stock of New iLearningEngines that may be issued and the provisions of the Company's Certificate of Incorporation Certificate of Incorporation holders of New iLearningEngines Common Stock will be entitled to receive such dividends and other distributions in cash, stock or property of New iLearningEngines when, as and if declared thereon by the New iLearningEngines Board, in its discretion, from time to time out of assets or funds of New iLearningEngines legally available therefor. The Company does not anticipate declaring any cash dividends to holders of New iLearningEngines Common Stock in the foreseeable future.

Recent Sales of Unregistered Securities

The information set forth below under Item 3.02 of this Current Report on Form 8-K concerning the issuance and sale by the Company of certain unregistered securities is incorporated herein by reference.

Description of Registrant's Securities to be Registered

Common Stock

A description of the New iLearningEngines Common Stock is included in the Proxy Statement/Prospectus in the section entitled "*Description of Arrowroot's Securities – New iLearningEngines Common Stock Following the Business Combination*" beginning on page 273 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Preferred Stock

A description of the New iLearningEngines Preferred Stock is included in the Proxy Statement/Prospectus in the section entitled "*Description of Arrowroot's Securities – Preferred Stock*" beginning on page 274 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Warrants

A description of the Public Warrants is included in the Proxy Statement/Prospectus in the section entitled "*Description of Arrowroot's Securities – Warrants* " beginning on page 277 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Indemnification of Directors and Officers

Information about indemnification of the Company's directors and officers is set forth in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers After the Business Combination – Limitation on Liability and Indemnification of Directors and Officers*" on page 271 of the Proxy Statement/Prospectus and in Supplement No. 3 under the heading "*Amendment and Restatement of Directors and Executive Officers After the Business Combination – Limitation on Liability and Indemnification of Directors and Officers*", which is incorporated herein by reference. On the Closing Date, the Company entered into indemnification agreements with the Company's directors and executive officers, a form of which is attached hereto as Exhibit 10.15 and incorporated herein by reference. The information set forth under the heading "Indemnification Agreements" in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Financial Statements and Supplementary Data

The information set forth in Item 9.01 of this Current Report on Form 8-K is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The information set forth in Item 4.01 of this Current Report on Form 8-K is incorporated herein by reference.

Financial Statements and Exhibits

The information set forth in Item 9.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

Convertible Notes

2023 Convertible Notes

On April 27, 2023, Legacy iLearningEngines entered into a convertible note purchase agreement (the "2023 Convertible Note Purchase Agreement"), with certain investors (collectively, with all investors who may become party to the 2023 Convertible Note Purchase Agreement thereafter, the "2023 Convertible Note Investors"), pursuant to which, among other things, Legacy iLearningEngines issued and sold to the 2023 Convertible Note Investors convertible notes due in October 2025 ("2023 Convertible Notes") with aggregate principal amount of $17,400,000, including to affiliates of the Sponsor. Each 2023 Convertible Note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each 2023 Convertible Note automatically converted into 4,971,076 shares of Legacy iLearningEngines thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares New iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the outstanding principal under such 2023 Convertible Note, plus all accrued and unpaid interest thereon, divided by (ii) $10.00. A description of the 2023 Convertible Notes is included in the Proxy Statement/Prospectus in the section entitled "*Certain Arrowroot Relationships and Related Party Transactions — Promissory Notes*" beginning on page 261 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

2024 Convertible Notes

On March 21, 2024, Legacy iLearningEngines entered into the 2024 convertible note purchase agreement (the "2024 Convertible Note Purchase Agreement") with an investor (the "March Investor"), pursuant to which, among other things, Legacy iLearningEngines issued and sold a 2024 Convertible Note to the March Investor with an aggregate principal amount of $700,000. On April 16, 2024, Legacy iLearningEngines entered into the 2024 Convertible Note Purchase Agreement with certain investors (collectively, the "April Investors" and, together with the March Investor, the "2024 Convertible Note Investors"), pursuant to which, among other things, Legacy iLearningEngines issued and sold to the April Investors convertible notes due in October 2026 ("2024 Convertible Notes") with an aggregate principal amount of $28,714,500. Each 2024 Convertible Note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each 2024 Convertible Note automatically converted into shares of Legacy iLearningEngines thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares New iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the outstanding principal under such Convertible Note, plus all accrued and unpaid interest thereon, divided by (ii) $10.00. The price per share at which the Principal (as defined in the 2024 Convertible Notes), together with accrued but unpaid interest, on each 2024 Convertible Note converts into Incentive Shares (as defined in the 2024 Convertible Note Purchase Agreement) is referred to as the "Conversion Price" herein.

In the event that the VWAP (as defined in the 2024 Convertible Note Purchase Agreement) of the New iLearningEngines Common Stock over the ten (10) trading days immediate preceding November 30, 2024 (the "Reference Date") is below the Conversion Price, then the 2024 Convertible Note shall be converted into shares of New iLearningEngines Common Stock, together with a make-whole payment equal to a number of additional Incentive Shares (rounded down to the nearest whole share) equal to (i) the Conversion Price, divided by the Reference Price (as defined below), minus (ii) one (1). "Reference Price" means the greater of (i) the VWAP of the New iLearningEngines Common Stock over the ten (10) trading days immediately preceding the Reference Date and (ii) $1.00. Notwithstanding the foregoing, the maximum number of shares issuable pursuant to the 2024 Convertible Notes shall not exceed 10,000,000 Incentive Shares.

In connection with the issuance of the 2024 Convertible Notes, on March 21, 2024, (i) Legacy iLearningEngines entered into a joinder to the Amended and Restated Registration Rights Agreement with each of the 2024 Convertible Note Investors, and (ii) the 2024 Convertible Note Investors entered into subordination agreements in favor of any holder of senior debt, a form of which is attached hereto as Exhibit 10.30 and incorporated herein by reference.

A description of the 2024 Convertible Notes is included in Supplement No. 3 under the heading "*Recent Developments – 2024 Convertible Notes*", which is incorporated herein by reference.

Sponsor Notes

In connection with the Closing, on April 16, 2024, the Sponsor elected to convert a portion of the principal owed into 460,384 shares. A description of the Promissory Notes is included in the Proxy Statement/Prospectus in the section entitled "*Certain Arrowroot Relationships and Related Party Transactions — Promissory Notes*" beginning on page 261 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

The securities issued in connection with the conversion of the Convertible Sponsor Notes and the 2024 Convertible Notes have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506(c) promulgated thereunder.

Item 3.03. Material Modification to Rights of Security Holders.

In connection with the Business Combination, on April 16, 2024, the Company filed the Certificate of Incorporation with the Delaware Secretary of State, and also adopted Amended and Restated Bylaws on April 16, 2024 (the "Bylaws"), which replaced ARRW's Amended and Restated Certificate of Incorporation and bylaws in effect as of such time. The material terms of the Certificate of Incorporation and the Bylaws and the general effect upon the rights of holders of the New iLearningEngines Common Stock are discussed in the Proxy Statement/Prospectus in the sections entitled "*Proposal No. 2 – The Organizational Documents Proposal*" and "*Proposals Nos. 3A-3D The Advisory Organizational Documents Proposals*" beginning on page 179 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

The New iLearningEngines Common Stock and Public Warrants are listed for trading on the Nasdaq Capital Market under the symbols "AILE" and "AILEW," respectively. On the Closing Date, the CUSIP numbers relating to New iLearningEngines Common Stock and Public Warrants changed to 45175Q106 and 45175Q114, respectively.

Copies of the Certificate of Incorporation and the Bylaws are included as Exhibit 3.1 and Exhibit 3.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

On April 16, 2024, the New iLearningEngines Board approved the engagement of Marcum LLP ("Marcum") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ending December 31, 2024. Marcum served as the independent registered public accounting firm of Legacy iLearningEngines prior to the Business Combination.

Accordingly, WithumSmith+Brown, PC ("Withum"), the Company's independent registered public accounting firm prior to the Business Combination, was informed on the Closing Date that it would be dismissed and replaced by Marcum as the Company's independent registered public accounting firm.

Withum's report on the Company's consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders' equity and cash flows for the years ended December 31, 2023 and 2022 and the related notes to the financial statements (collectively, the "financial statements") did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except for the substantial doubt about the Company's ability to continue as a going concern.

During the period from November 5, 2020 (inception) through December 31, 2023 and the subsequent interim period through April 16, 2024, there were no: (i) disagreements with Withum on any matter of accounting principles or practices, financial statement disclosures or audited scope or procedures, which disagreements if not resolved to Withum's satisfaction would have caused Withum to make reference to the subject matter of the disagreement in connection with its report or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

During the period from November 5, 2020 (inception) through December 31, 2023, and the interim period through April 16, 2024, the Company did not consult Marcum with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided to the Company by Marcum that Marcum concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Exchange Act and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

The Company has provided Withum with a copy of the disclosures made by the Company in response to this Item 4.01 and has requested that Withum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the Company in response to this Item 4.01 and, if not, stating the respects in which it does not agree. A letter from Withum is attached to this Current Report on Form 8-K as Exhibit 16.1.

Item 5.01. Changes in Control of the Registrant.

Reference is made to the disclosure beginning on page 126 of the Proxy Statement/Prospectus in the section entitled "*Proposal No. 1—The Business Combination Proposal—The Merger Agreement*," which is incorporated herein by reference. Further reference is made to the information contained in the "*Introductory Note*" above and Item 2.01 to this Current Report, which is incorporated herein by reference.

As a result of the consummation of the Business Combination, a change of control of ARRW has occurred, and the stockholders of ARRW as of immediately prior to the Closing held 18.2% of the outstanding shares of New iLearningEngines Common Stock immediately following the Closing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth in the sections entitled "*Directors and Executive Officers*", "*Certain Relationships and Related Transactions*", "*Indemnification of Directors and Officers*" and in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

iLearningEngines, Inc. 2024 Equity Incentive Plan

At the ARRW Stockholder Meeting, the stockholders of ARRW considered and approved the 2024 Plan. The approval of the 2024 Plan, subject to stockholder approval, was ratified by the board of directors of ARRW on April 12, 2024, and on April 16, 2024, the New iLearningEngines Board ratified the approval of the 2024 Plan. The 2024 Plan became effective immediately upon the Closing.

The 2024 Plan initially makes available a maximum number of 13,441,323 shares of New iLearningEngines Common Stock. Additionally, the number of shares reserved for issuance under the 2024 Plan will automatically increase on January 1 of each year, starting on January 1, 2025 and ending on January 1, 2034, in an amount equal to (i) five percent (5%) of the number of shares of New iLearningEngines Common Stock outstanding (or issuable upon conversion or exercise of outstanding instruments) on the final day of the immediately preceding calendar year, or (ii) such lesser number of shares of New iLearningEngines Common Stock determined by the New iLearningEngines Board prior to the date of the increase.

A description of the 2024 Plan is included in the Proxy Statement/Prospectus in the section entitled "*Proposal No. 4 – The Equity Incentive Plan Proposal*" beginning on page 183 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The foregoing description of the 2024 Plan is qualified in its entirety by the full text of the 2024 Plan, which is attached hereto as Exhibit 10.11 and incorporated herein by reference.

iLearningEngines, Inc. 2024 Employee Stock Purchase Plan

At the ARRW Stockholder Meeting, the stockholders of ARRW considered and approved the 2024 ESPP. The approval of the 2024 ESPP, subject to the stockholder approval, was ratified by the board of directors of ARRW on April 12, 2024, and on April 16, 2024, the New iLearningEngines Board ratified the approval of the 2024 ESPP. The 2024 ESPP became effective immediately upon the Closing.

The 2024 ESPP initially makes available a maximum number of 2,688,265 shares of New iLearningEngines Common Stock. Additionally, the number of shares reserved for issuance under the 2024 ESPP will automatically increase on January 1 of each year, starting on January 1, 2025 and ending on January 1, 2034, in an amount equal to (i) one percent (1%) of the number of shares of New iLearningEngines Common Stock outstanding (or issuable upon conversion or exercise of outstanding instruments) on the final day of the immediately preceding calendar year or (ii) such lesser number of shares of New iLearningEngines Common Stock determined by the New iLearningEngines Board prior to the date of the increase.

A description of the 2024 ESPP is included in the Proxy Statement/Prospectus in the section entitled "*Proposal No. 6 – The Employee Stock Proposal Plan Proposal*" beginning on page 190 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The foregoing description of the 2024 ESPP is qualified in its entirety by the full text of the 2024 ESPP, which is attached hereto as Exhibit 10.14 and incorporated herein by reference.

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

At the ARRW Stockholder Meeting, ARRW's stockholders considered and approved, among other items, "*Proposal No. 2 – The Organizational Documents Proposal*" ("Organizational Documents Proposal"), which is described in greater detail beginning on page 179 in the Proxy Statement/Prospectus. The Certificate of Incorporation, which became effective upon filing with the Secretary of State of the State of Delaware on April 16, 2024 includes the amendments proposed by the Organizational Documents Proposal.

On April 16, 2024, the New iLearningEngines Board adopted the Bylaws, which became effective on that date. The Certificate of Incorporation included the amendments proposed by the Organizational Documents Proposal. The material terms of the Certificate of Incorporation and the Bylaws and the general effect upon the rights of holders of ARRW's capital stock are discussed in Exhibit 4.4 to this Current Report on Form 8-K in the section entitled "*Description of Securities – Common Stock*", the Proxy Statement/Prospectus in the sections entitled "*Description of Arrowroot's Securities—Preferred Stock*" beginning on page 274, the Proxy Statement/Prospectus in the sections entitled "*Description of Arrowroot's Securities—Warrants*" beginning on page 277 and "*Comparison of Corporate Governance and Stockholders' Rights*" beginning on page 285, which are incorporated herein by reference.

In addition, the disclosure set forth under Item 3.03 in this Current Report on Form 8-K is incorporated herein by reference. Copies of the Certificate of Incorporation and the Bylaws are included as Exhibit 3.1 and Exhibit 3.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

In connection with the Business Combination, on April 16, 2024, the New iLearningEngines Board approved and adopted a new Code of Business Conduct and Ethics applicable to all employees, officers and directors of the Company. A copy of the Code of Business Conduct and Ethics can be found in the Investors section of the Company's website at www.ilearningengines.com.

Item 5.06. Change in Shell Company Status.

On April 16, 2024, as a result of the Business Combination, ARRW ceased to be a shell company (as defined in Rule 12b-2 of the Exchange Act) as of the Closing. A description of the Business Combination and the terms of the Merger Agreement are included in the Proxy Statement/Prospectus in the section entitled "*Proposal No. 1 – The Business Combination Proposal*" beginning on page 126 of the Proxy Statement/Prospectus and Supplement No. 3 under the heading "*Amendment and Restatement of Proposal No. 1 — The Business Combination Proposal*", which are incorporated herein by reference. Further, the information set forth in the "*Introductory Note*" and under Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 7.01. Regulation FD.

On April 16, 2024, the Company issued a press release announcing the closing of the Business Combination. A copy of the press release is filed hereto as Exhibit 99.1 and incorporated by reference herein.

The information contained in Items 2.02 and 7.01, including Exhibits 99.1 and 99.2, is furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to liabilities under that section, and shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings. This Current Report on 8-K will not be deemed an admission as to the materiality of any information contained in this Item 7.01, including Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The historical audited consolidated financial statements of Legacy iLearningEngines as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 and the related notes are filed as Exhibit 99.4 to this Current Report on Form 8-K.

The historical audited consolidated financial statements of ARRW as of and for the years ended December 31, 2023 and 2022 and the related notes are included in the Annual Report on Form 10-K of Arrowroot Acquisition Corp., filed with the SEC on April 1, 2024, and are incorporated herein by reference.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial information of Legacy iLearningEngines and ARRW as of December 31, 2023 and for the year ended December 31, 2023 is filed as Exhibit 99.5 to this Current Report on Form 8-K.

		Incorporated by Reference			
Exhibit No.	**Description**	**Schedule/ Form**	**File No.**	**Exhibit**	**Filing Date**
2.1+	Merger Agreement, dated as of April 27, 2023, by and among Arrowroot Acquisition Corp., ARAC Merger Sub, Inc., and iLearningEngines, Inc.	8-K	001-40129	2.1	May 2, 2023
3.1	Second Amended and Restated Certificate of Incorporation of iLearningEngines, Inc.				
3.2	Amended and Restated Bylaws of iLearningEngines, Inc.				
4.1	Specimen Common Stock Certificate.				
4.2	Specimen Warrant Certificate.				
4.3	Warrant Agreement, dated March 4, 2021, by and between Arrowroot Acquisition Corp., and Continental Stock Transfer & Trust Company, as warrant agent.	8-K	001-40129	4.1	March 5, 2021
4.4	Form of 2020 Warrant to Acquire Shares of Exercise Stock of iLearningEngines Inc.	S-4/A	333-274333	4.6	December 8, 2023
4.5	Form of 2021 Warrant to Acquire Shares of Exercise Stock of iLearningEngines Inc.	S-4/A	333-274333	4.7	December 8, 2023
4.6	Form of 2023 Warrant to Acquire Shares of Exercise Stock of iLearningEngines Inc.	S-4/A	333-274333	4.8	December 8, 2023
4.7	Form of Restricted Stock Agreement				
10.1#	Amended and Restated Registration Rights Agreement, dated April 16, 2024, by and among iLearningEngines, Inc., members of Arrowroot Acquisition LLC, and certain former stockholders of iLearningEngines, Inc.				

Exhibit No.	Description	Incorporated by Reference			
		Schedule/ Form	File No.	Exhibit	Filing Date
10.2	Form of Sponsor Support Agreement, by and among Arrowroot Acquisition Corp., iLearningEngines, Inc., Arrowroot Acquisition LLC, and certain stockholders of iLearningEngines, Inc.	S-4	333-274333	10.14	September 5, 2023
10.3	Form of Stockholder Support Agreement, by and among Arrowroot Acquisition Corp., iLearningEngines, Inc. and certain stockholders of iLearningEngines, Inc.	S-4	333-274333	2.2	September 5, 2023
10.4*+	Executive Employment Agreement, dated as of January 1, 2011, by and between iHealthEngines Inc. and Harish Chidambaran	S-4/A	333-274333	10.21	December 8, 2023
10.5*+	Executive Employment Agreement, dated as of February 20, 2019, by and between iLearningEngines Inc. and Sayyed Farhan Naqvi	S-4/A	333-274333	10.22	December 8, 2023
10.6*+	Executive Employment Agreement, dated as of October 10, 2018, by and between iLearningEngines Inc. and Balakrishnan Arackal	S-4/A	333-274333	10.23	December 8, 2023
10.7*#	Employment Offer Letter, dated as of September 15, 2022, by and between iLearningEngines FZ-LLC and Ramakrishnan Parameswaran	S-4/A	333-274333	10.24	December 8, 2023
10.8*	Executive Employment Agreement, dated as of October 12, 2023, by and between iLearningEngines Inc. and David Samuels	S-4/A	333-274333	10.25	December 8, 2023
10.9*	iLearningEngines Inc. 2020 Equity Incentive Plan	S-4/A	333-274333	10.19	December 8, 2023
10.10*	Form of Restricted Stock Unit Agreement and Grant Notice under the iLearningEngines Inc. 2020 Equity Incentive Plan	S-4/A	333-274333	10.20	December 8, 2023
10.11*	iLearningEngines, Inc. 2024 Equity Incentive Plan.				
10.12*+	Form of Stock Option Grant Notice and Form of Stock Option Agreement under 2024 Equity Incentive Plan.				
10.13*	Form of Restricted Stock Unit Grant Notice and Form of Restricted Stock Unit Agreement under 2024 Equity Incentive Plan.				
10.14*	iLearningEngines, Inc. 2024 Employee Stock Purchase Plan.				
10.15*	Form of Indemnification Agreement by and between the Company and its directors and executive officers.				
10.16+	Loan and Security Agreement, dated as of December 30, 2020, between iLearningEngines Inc. and Venture Lending & Leasing IX, Inc.	S-4/A	333-274333	10.26	December 8, 2023

Exhibit No.	Description	Incorporated by Reference			
		Schedule/ Form	File No.	Exhibit	Filing Date
10.17+#	Supplement to the Loan and Security Agreement, dated as of December 30, 2020, between iLearningEngines Inc. and Venture Lending & Leasing IX, Inc.	S-4/A	333-274333	10.27	December 8, 2023
10.18	Amendment No. 1 to the Loan and Security Agreement, dated as of October 21, 2021, between iLearningEngines Inc. and Venture Lending & Leasing IX, Inc.	S-4/A	333-274333	10.28	December 8, 2023
10.19+#	Loan and Security Agreement, dated as of October 21, 2021, between iLearningEngines Inc., and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.	S-4/A	333-274333	10.29	December 8, 2023
10.20+#	Supplement to the Loan and Security Agreement, dated as of October 21, 2021, between iLearningEngines Inc., and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.	S-4/A	333-274333	10.30	December 8, 2023
10.21+	Loan and Security Agreement, dated as of October 31, 2023, between iLearningEngines Inc., and WTI Fund X, Inc.	S-4/A	333-274333	10.31	December 8, 2023
10.22+#	Supplement to the Loan and Security Agreement, dated as of October 31, 2023, between iLearningEngines Inc., and WTI Fund X, Inc.	S-4/A	333-274333	10.32	December 8, 2023
10.23+#	Intellectual Property Security Agreement, dated as of December 30, 2020, between iLearningEngines Inc. and Venture Lending & Leasing IX, Inc.	S-4/A	333-274333	10.33	December 8, 2023
10.24+#	Intellectual Property Security Agreement, dated as of October 21, 2021, between iLearningEngines Inc., and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.	S-4/A	333-274333	10.34	December 8, 2023
10.25+#	Intellectual Property Security Agreement, dated as of October 31, 2023, between iLearningEngines Inc., and WTI Fund X, Inc.	S-4/A	333-274333	10.35	December 8, 2023
10.26	Form of 2023 Convertible Note Purchase Agreement.	S-4	333-274333	10.15	September 5, 2023
10.27	Form of 2023 Convertible Note.	S-4/A	333-274333	10.16	January 5, 2024
10.28+#	Form of 2024 Convertible Note Purchase Agreement.				
10.29	Form of 2024 Convertible Note.				
10.30	Form of Subordination Agreement.				
10.31+#	Loan and Security Agreement, dated April 17, 2024, by and among iLearningEngines Holdings, Inc., as borrower, East West Bank, as agent, and the lenders.				

Exhibit No.	Description	Incorporated by Reference			
		Schedule/ Form	File No.	Exhibit	Filing Date
10.32+	Intellectual Property Security Agreement, dated April 17, 2024, by and among iLearningEngines Holdings, Inc. and In2vate, L.L.C, as grantors, for the benefit of East West Bank.				
10.33	Guaranty and Suretyship Agreement, dated April 17, 2024, by and among iLearningEngines Holdings, Inc. and In2vate, L.L.C, as debtors, and East West Bank as agent for the lenders.				
10.34	Subordination Agreement, dated April 17, 2024, by and among iLearningEngines Holdings, Inc, and Experion Technologies, FZ LLC.				
10.35+#	Second Omnibus Amendment to Loan Documents by and among iLearningEngines Holdings, Inc., as borrower, and In2vate, L.L.C, Venture Lending & Leasing IX, Inc., and WTI Fund X, Inc. as the lenders.				
10.36	Fee Reduction Agreement, dated March 27, 2024, by and among Cantor Fitzgerald & Co., Arrowroot Acquisition Corp. and iLearningEngines Inc.				
10.37	Amendment No. 1, dated March 27, 2024, to the Letter Agreement, dated June 5, 2020, by and among Mizuho Securities USA LLC, iLearningEngines Inc. and Arrowroot Acquisition Corp.				
10.38	Amendment to the Letter Agreement, dated March 27, 2024, between BTIG, LLC and Arrowroot Acquisition Corp.				
16.1	Letter from WithumSmith+Brown, PC to the SEC.				
21.1	List of Subsidiaries of iLearningEngines, Inc.				
99.1	Press release dated April 16, 2024.				
99.2	Press release dated April 22, 2024				
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations of Legacy iLearningEngines as of December 31, 2023 and 2022, and for the fiscal years ended December 31, 2023 and 2022				
99.4	Consolidated Financial Statements of Legacy iLearningEngines as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021				
99.5	Unaudited Pro Forma Condensed Combined Financial Statements of the Company and Legacy iLearningEngines as of December 31, 2023 and for the year ended December 31, 2022.				
104	Cover Page Interactive Data File (embedded within the inline XBRL document).				

+ The schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

Certain portions of this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(10)(iv) because they are not material and are the type of information that the Registrant treats as private or confidential. The Registrant agrees to furnish supplementally an unredacted copy of the Exhibit, or any section thereof, to the SEC upon request

* Indicates management contract or compensatory plan or arrangement.

SIGNATURES

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

Dated: April 22, 2024

ILEARNINGENGINES, INC.

By: /s/ Harish Chidambaran
Harish Chidambaran
Chief Executive Officer

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ARROWROOT ACQUISITION CORP.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Arrowroot Acquisition Corp., a corporation organized and existing under the laws of the State of State of Delaware (the **"Corporation"),**

DOES HEREBY CERTIFY:

ONE: That the present name of the Corporation is Arrowroot Acquisition Corp., and that the Corporation was originally incorporated pursuant to the General Corporation Law of the State of Delaware (the "**DGCL***")* on November 5, 2020.

TWO: That the Board of Directors of the Corporation (the ***"Board of Directors")*** duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation of this corporation (the ***"Existing Certificate"),*** declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

THREE: This Amended and Restated Certificate of Incorporation (the **"Amended and Restated Certificate***")* shall become effective on the date of filing with the Secretary of State of Delaware.

FOUR: Certain capitalized terms used in this Amended and Restated Certificate are defined where appropriate herein.

FIVE: The text of the Existing Certificate is hereby restated and amended in its entirety to read as follows:

I.

The name of this corporation is iLearningEngines, Inc.

II.

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware, 19808, and the name of the registered agent of this corporation in the State of Delaware at such address is the Corporation Service Company.

III.

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

IV.

A. The Corporation is authorized to issue two classes of stock to be designated, respectively, **"Common Stock"** and **"Preferred Stock."** The total number of shares which the Corporation is authorized to issue is 710,000,000. 700,000,000 shares shall be Common Stock, having a par value per share of $0.0001. 10,000,000 shares shall be Preferred Stock, having a par value per share of $0.0001. Upon the filing of this Amended and Restated Certificate, each outstanding share of Class A common stock and Class B common stock shall be redesignated as Common Stock.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the **"Board of Directors"***)* is hereby expressly authorized to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares for each such series and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding and not by more than the number of remaining authorized but undesignated shares of Preferred Stock. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock, or any series thereof, may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof irrespective of Section 242(b)(2) of the DGCL, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

V.

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation, and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Management of Business. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. Subject to any rights of the holders of shares of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances, the number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B. Board of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, upon the filing of this Amended and Restated Certificate of Incorporation, the directors shall be divided into three classes designated as Class I, Class II, and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. Removal of Directors.

1. Subject to the rights of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

2. Subject to any limitations imposed by applicable law and the rights of any series of Preferred Stock to remove directors elected by the holders of such series of Preferred Stock, any individual director or directors may be removed from office with cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote generally at an election of directors.

D. Vacancies. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock to elect additional directors or to fill vacancies in respect of such directors, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal, or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors or by the sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified or until such director's earlier death, resignation or removal.

E. Bylaw Amendments.

1. The Board of Directors is expressly authorized and empowered to adopt, amend, or repeal the Bylaws of the Corporation or any provision or provisions thereof. Any adoption, amendment, or repeal of the Bylaws of the Corporation or any provision or provisions thereof by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend, or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Amended and Restated Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

2. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

3. Subject to the rights of the holders of any series of Preferred Stock, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

4. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

VI.

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent permitted under applicable law. In furtherance thereof, a director of the Corporation shall not be personally liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL, as the same exists or may hereafter be amended. Any repeal or modification of the foregoing two sentences shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

B. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers, and agents of the Corporation (and any other persons to which applicable law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders, or disinterested directors, or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Corporation shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article VI shall only be prospective and shall not adversely affect the rights or protections or increase the liability of any officer or director under this Article VI as in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (A) any derivative action or proceeding brought on behalf of the Corporation; (B) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders; (C) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation; or (D) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine. This Article VII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction.

Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision.

Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article VII.

VIII.

A. The Corporation reserves the right to amend, alter, change, or repeal at any time and from time to time any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VIII, and all rights, preferences and privileges of whatsoever nature conferred upon the stockholders, directors or any other persons whomsoever by and pursuant to this Amended and Restated Certificate in its present form or as hereinafter amended herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of applicable law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law or by this Amended and Restated Certificate or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend, or repeal (whether by merger, consolidation or otherwise) Articles V, VI, VII and VIII.

IX.

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An **"Excluded Opportunity"** is any matter, transaction, or interest that is presented to, or acquired, created, or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate, or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are **"Covered Persons"**), unless such matter, transaction, or interest is presented to, or acquired, created, or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article IX will only be prospective and will not affect the rights under this Article IX in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds percent (66 2/3%) of the voting power of all of the then outstanding shares of capital stock of the Corporation entitled to vote, will be required to amend or repeal, or to adopt any provisions inconsistent with, this Article IX.

* * * *

SIX: This Amended and Restated Certificate was approved by the holders of the requisite number of shares of the Corporation in accordance with Section 228 of the DGCL. This Amended and Restated Certificate has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its President and Chief Financial Officer this 16th day of April, 2024.

ARROWROOT ACQUISITION CORP.

By: /s/ Thomas Olivier
Name: Thomas Olivier
Title: President and Chief Financial Officer

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

ILEARNINGENGINES, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be as set forth in the Amended and Restated Certificate of Incorporation of the corporation, as the same may be amended or restated from time to time (the "***Certificate of Incorporation***").

Section 2. Other Offices. The corporation may also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors of the corporation (the "***Board of Directors***"), and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. If adopted, the corporate seal shall consist of the name of the corporation and the inscription, "***Corporate Seal-Delaware***." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, if any, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware ("***DGCL***") and Section 14 below.

Section 5. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. The corporation may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors. Nominations of persons for election to the Board of Directors and proposals of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors or a duly authorized committee thereof; or (iii) by any stockholder of the corporation who was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed or such nomination or nominations are made, only if such beneficial owner was the beneficial owner of shares of the corporation) at the time of giving the stockholder's notice provided for in Section 5(b) below, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "1934 Act")) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law, the Certificate of Incorporation and these Amended and Restated Bylaws ("***Bylaws***"), and only such nominations shall be made and such business shall be conducted as shall have been properly brought before the meeting in accordance with the procedures below.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class or series and number of shares of each class or series of capital stock of the corporation that are owned of record and beneficially by such nominee, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition and (5) all other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved and whether or not proxies are being or will be solicited), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act (including such person's written consent to being named in the corporation's proxy statement and associated proxy card as a nominee of the stockholder and to serving as a director if elected); and (B) all of the information required by Section 5(b)(iv). The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation (as such term is used in any applicable stock exchange listing requirements or applicable law) or on any committee or sub-committee of the Board of Directors under any applicable stock exchange listing requirements or applicable law, or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee. The number of nominees a stockholder may nominate for election at the annual meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14a-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii), and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv).

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the immediately preceding year's annual meeting; *provided*, *however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that (A) the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or, if later than the 90th day prior to such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation or (B) the corporation did not have an annual meeting in the preceding year, notice by the stockholder to be timely must be so received not later than the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment or postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(iv) The written notice required by Sections 5(b)(i) or 5(b)(ii) shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "***Proponent***" and collectively, the "***Proponents***"): (A) the name and address of each Proponent, including, if applicable, such name and address as they appear on the corporation's books and records; (B) the class, series and number of shares of each class or series of the capital stock of the corporation that are, directly or indirectly, owned of record or beneficially (within the meaning of Rule 13d-3 under the 1934 Act) by each Proponent (provided, that for purposes of this Section 5(b)(iv), such Proponent shall in all events be deemed to beneficially own all shares of any class or series of capital stock of the corporation as to which such Proponent has a right to acquire beneficial ownership at any time in the future); (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal (and/or the voting of shares of any class or series of capital stock of the corporation) between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation at the time of giving notice, will be entitled to vote at the meeting, and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i)) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i)) or to carry such proposal (with respect to a notice under Section 5(b)(ii)); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

(c) A stockholder providing the written notice required by Section 5(b)(i) or (ii) shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the determination of stockholders entitled to notice of the meeting and (ii) the date that is five Business Days (as defined below) prior to the meeting and, in the event of any adjournment or postponement thereof, five Business Days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five Business Days after the later of the record date for the determination of stockholders entitled to notice of the meeting or the public announcement of such record date. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two Business Days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two Business Days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 5(b)(iii)to the contrary, in the event that the number of directors in an Expiring Class (as defined below) to be elected to the Board of Directors at the next annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 5(b)(iii) and there is no public announcement by the corporation naming the nominees for the Expiring Class at least 100 days before the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 and that complies with the requirements in Section 5(b)(i), other than the timing requirements in Section 5(b)(iii), shall also be considered timely, but only with respect to nominees for the additional directorships in such Expiring Class, if it shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the corporation. For purposes of this section, an "***Expiring Class***" shall mean a class of directors whose term shall expire at the next annual meeting of stockholders.

(e) A person shall not be eligible for election or re-election as a director at an annual meeting, unless the person is nominated in accordance with either clause (ii) or (iii) of Section 5(a) and in accordance with the procedures set forth in Section 5(b), Section 5(c), and Section 5(d), as applicable. Only such business shall be conducted at any annual meeting of the stockholders of the corporation as shall have been brought before the meeting in accordance with clauses (i), (ii), or (iii) of Section 5(a) and in accordance with the procedures set forth in Section 5(b) and Section 5(c), as applicable. Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E), to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, or that such business shall not be transacted, notwithstanding that proxies in respect of such nomination or such business may have been solicited or received. Notwithstanding the foregoing provisions of this Section 5, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation. For purposes of this Section 5, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(f) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided*, *however*, that any references in these Bylaws to the 1934 Act are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii). Nothing in these Bylaws shall be deemed to affect any rights of holders of any class or series of preferred stock to nominate and elect directors pursuant to and to the extent provided in any applicable provision of the Certificate of Incorporation.

(g) For purposes of Sections 5 and 6,

(i) "affiliates" and "associates" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "1933 Act");

(ii) "***Business Day***" means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York;

(iii) "close of business" means 5:00 p.m. local time at the principal executive offices of the corporation on any calendar day, whether or not the day is a Business Day;

(iv) "***Derivative Transaction***" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(A) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation;

(B) that otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation;

(C) the effect or intent of which is to mitigate loss, manage risk or benefit from changes in value or price with respect to any securities of the corporation; or

(D) that provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, directly or indirectly, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation or similar right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

(v) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act or by such other means reasonably designed to inform the public or security holders in general of such information, including, without limitation, posting on the corporation's investor relations website.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption). The corporation may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors.

(b) The Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7. No business may be transacted at such special meeting otherwise than specified in the notice of meeting.

(c) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or a duly authorized committee thereof or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who is a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination or nominations are made, only if such beneficial owner was the beneficial owner of shares of the corporation) at the time of giving notice provided for in this paragraph, who is entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Sections 5(b)(i) and 5(b)(iv). The number of nominees a stockholder may nominate for election at the special meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Sections 5(b)(i) and 5(b)(iv) shall be received by the Secretary at the principal executive offices of the corporation not earlier than 120 days prior to such special meeting and not later than the close of business on the later of the 90th day prior to such meeting or the tenth day following the day on which the corporation first makes a public announcement of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

A person shall not be eligible for election or re-election as a director at the special meeting unless the person is nominated either in accordance with clause (i) or clause (ii) of this Section 6(c). Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or if the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E), to declare that such nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nomination may have been solicited or received. Notwithstanding the foregoing provisions of this Section 6, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder (meeting the requirements specified in Section 5(e)) does not appear at the special meeting of stockholders of the corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the corporation.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided*, *however*, that any references in these Bylaws to the 1934 Act are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors to be considered pursuant to Section 6(c).

Section 7. Notice of Meetings. Except as otherwise provided by applicable law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Such notice shall specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, the record date for determining stockholders entitled to vote at the meeting, if such record date is different from the record date for determining stockholders entitled to notice of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. Such notice may be given by personal delivery, mail or with the consent of the stockholder entitled to receive notice, by facsimile or electronic transmission. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If delivered by courier service, the notice is given on the earlier of when the notice is received or left at the stockholder's address. If sent via electronic mail, notice is given when directed to such stockholder's electronic mail address in accordance with applicable law unless (a) the stockholder has notified the corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or (b) electronic transmission of such notice is prohibited by applicable law. Notice of the time, place, if any, and purpose of any meeting of stockholders (to the extent required) may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his or her attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum and Vote Required. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy, of the holders of a majority of the voting power of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairperson of the meeting or by vote of the holders of a majority of the voting power of the shares represented thereat and entitled to vote thereon, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and voting affirmatively or negatively (excluding abstentions and broker non-votes) on such matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws or any applicable stock exchange rules, the holders of a majority of the voting power of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws or any applicable stock exchange rules, the affirmative vote of the holders of a majority (plurality, in the case of the election of directors) of the voting power of the shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting and voting affirmatively or negatively (excluding abstention and broker non-votes) on such matter shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairperson of the meeting or by the vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote thereon. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed present in person and may vote at such meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders or adjournment thereof, except as otherwise provided by applicable law, only persons in whose names shares stand on the stock records of the corporation on the record date shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one votes, his or her act binds all; (b) if more than one votes, the act of the majority so voting binds all; (c) if more than one votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in Section 217(b) of the DGCL. If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The corporation shall prepare, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number and class of shares registered in the name of each stockholder; provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect all of the stockholders entitled to vote as of the tenth day before the meeting date. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by applicable law.

Section 13. Action without Meeting.

Subject to the rights of holders of any series of preferred stock then outstanding, no action shall be taken by the stockholders of the corporation except at an annual or special meeting of stockholders duly called in accordance with these Bylaws and no action shall be taken by the stockholders by written consent.

Section 14. Remote Communication.

(a) For the purposes of these Bylaws, if authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

(b) Whenever this Article III requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested and the corporation shall not be required to accept delivery of any document not in such written form or so delivered. For the avoidance of doubt, with respect to any notice from any stockholder of record or beneficial owner of the corporation's capital stock under the Certificate of Incorporation, these Bylaws or the DGCL, to the fullest extent permitted by law, the corporation expressly opts out of Section 116 of the DGCL.

Section 15. Organization.

(a) At every meeting of stockholders, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed, is absent or refuses to act, the Chief Executive Officer, or if no Chief Executive Officer is then serving or the Chief Executive Officer is absent or refuses to act, the President, or, if the President is absent or refuses to act, a chairperson of the meeting designated by the Board of Directors, or, if the Board of Directors does not designate such chairperson, a chairperson of the meeting chosen by a majority of the voting power of the stockholders entitled to vote, present in person or by proxy, shall act as chairperson of the meeting of stockholders. The Chairperson of the Board of Directors may appoint the Chief Executive Officer as chairperson of the meeting. The Secretary, or, in his or her absence, an Assistant Secretary or other officer or other person directed to do so by the chairperson of the meeting, shall act as secretary of the meeting.

(b) The Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairperson of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairperson shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters that are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 16. Number and Term of Office. The authorized number of directors of the corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 17. Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by the Certificate of Incorporation or the DGCL.

Section 18. Terms of Directors. The terms of directors shall be as set forth in the Certificate of Incorporation.

Section 19. Vacancies. Vacancies and newly created directorships on the Board of Directors shall be filled as set forth in the Certificate of Incorporation.

Section 20. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Board of Directors or the Secretary. Such resignation shall take effect at the time of delivery of the notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his or her successor shall have been duly elected and qualified or until his or her earlier death, resignation or removal.

Section 21. Removal. Directors shall be removed as set forth in the Certificate of Incorporation.

Section 22. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware that has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware as designated and called by the Chairperson of the Board of Directors, the Chief Executive Officer or the Board of Directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place, if any, of all special meetings of the Board of Directors shall be transmitted orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, postage prepaid, at least three days before the date of the meeting.

(e) Waiver of Notice. Notice of any meeting of the Board of Directors may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 23. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 46 for which a quorum shall be one-third of the authorized number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation, a quorum of the Board of Directors shall consist of a majority of the total number of directors then serving on the Board of Directors or, if greater, one-third of the authorized number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation. At any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by applicable law, the Certificate of Incorporation or these Bylaws.

Section 24. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission. Such consent or consents shall be filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

(a) Fees and Compensation. Directors shall be entitled to such compensation for their services on the Board of Directors or any committee thereof as may be approved by the Board of Directors, or a committee thereof to which the Board of Directors has delegated such responsibility and authority, including, if so approved, by resolution of the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility and authority, including, without limitation, a fixed sum and reimbursement of expenses incurred, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors, as well as reimbursement for other reasonable expenses incurred with respect to duties as a member of the Board of Directors or any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one or more members of the Board of Directors. The Executive Committee, to the extent permitted by applicable law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by applicable law. Such other committees appointed by the Board of Directors shall consist of one or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of preferred stock and the provisions of subsections (a) or (b) of this Section 26, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his or her death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 26 shall be held at such times and places, if any, as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at such place, if any, that has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place, if any, of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place, if any, of special meetings of the Board of Directors. Notice of any meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Duties of Chairperson of the Board of Directors. The Chairperson of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairperson of the Board of Directors shall perform such other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

Section 27. Lead Independent Director. The Chairperson of the Board of Directors, or if the Chairperson is not an independent director, one of the independent directors, may be designated by the Board of Directors as lead independent director to serve until replaced by the Board of Directors ("***Lead Independent Director***"). The Lead Independent Director will preside over meetings of the independent directors and perform such other duties as may be established or delegated by the Board of Directors and perform such other duties as may be established or delegated by the Chairperson of the Board of Directors.

Section 28. Organization. At every meeting of the directors, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed or is absent, the Lead Independent Director, or if the Lead Independent Director has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairperson of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his or her absence, any Assistant Secretary or other officer, director or other person directed to do so by the person presiding over the meeting, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 29. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem appropriate or necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by applicable law, the Certificate of Incorporation or these Bylaws. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors or by a committee thereof to which the Board of Directors has delegated such responsibility.

Section 30. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed, subject to such officer's earlier death, resignation or removal. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors or by a committee thereof to which the Board of Directors has delegated such responsibility or, if so authorized by the Board of Directors, by the Chief Executive Officer or another officer of the corporation.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the supervision, direction and control of the Board of Directors, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the corporation as are customarily associated with the position of Chief Executive Officer. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of President. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and, subject to the supervision, direction and control of the Board of Directors, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the corporation as are customarily associated with the position of President. The President shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board of Directors (or the Chief Executive Officer, if the Chief Executive Officer and President are not the same person and the Board of Directors has delegated the designation of the President's duties to the Chief Executive Officer) shall designate from time to time.

(d) Duties of Vice Presidents. A Vice President may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant (unless the duties of the President are being filled by the Chief Executive Officer). A Vice President shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) Duties of Secretary and Assistant Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts, votes and proceedings thereof in the minute books of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors, the Chief Executive Officer, or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer.

(g) Duties of Treasurer and Assistant Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation. The Treasurer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Treasurer or other officer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

Section 31. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 32. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 33. Removal. Any officer may be removed from office at any time, either with or without cause, by the Board of Directors, or by any duly authorized committee thereof or any superior officer upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 34. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute, sign or endorse on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by applicable law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall from time to time authorize so to do.

Unless otherwise specifically determined by the Board of Directors or otherwise required by applicable law, the execution, signing or endorsement of any corporate instrument or document by or on behalf of the corporation may be effected manually, by facsimile or (to the extent permitted by applicable law and subject to such policies and procedures as the corporation may have in effect from time to time) by electronic signature.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 35. Voting of Securities Owned by the Corporation. All stock and other securities of or interests in other corporations or entities owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairperson of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 36. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation represented by certificates shall be entitled to have a certificate signed by or in the name of the corporation by any two authorized officers of the corporation (it being understood that each of the Chairperson of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary shall be an authorized officer for such purpose), certifying the number, and the class or series, of shares owned by such holder in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 37. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 38. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes or series owned by such stockholders in any manner not prohibited by the DGCL.

(c) Lockup.

(i) Subject to Section 38(c)(ii), the holders (the "***Lockup Holders***") of shares of Common Stock, par value $0.0001 per share of the corporation ("***Common Stock***") issued (i) as consideration under that certain Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023, by and among the corporation, ARAC Merger Sub, Inc., a Delaware corporation, and iLearningEngines Holdings, Inc. (formerly, iLearningEngines, Inc., a Delaware corporation, which, for all periods prior to the effectiveness of the Merger (as defined in the Merger Agreement) is referred to herein as the "***Constituent Corporation***") (the "***Business Combination Transaction***" and such Agreement and Plan of Merger and Reorganization, the "***Merger Agreement***"), (ii) to directors, officers and employees of the Corporation and other individuals upon the settlement or exercise of Adjusted RSUs or Adjusted Restricted Stock (as defined the Merger Agreement) or (iii) as Company Convertible Note Consideration (as defined in the Merger Agreement) (the "***Convertible Note Shares***"), may not Transfer any Lockup Shares until the end of the Lockup Period (the "***Lockup***").

(d) The restrictions set forth in Section 38(c)(1) shall not apply to:

(A) in the case of an entity, Transfers to a stockholder, partner, member or affiliate of such entity;

(B) in the case of an individual, Transfers by gift to members of the individual's immediate family (as defined below) or to a trust, the beneficiary of which is a member of one of the individual's immediate family, an affiliate of such person or to a charitable organization;

(C) in the case of an individual, Transfers by virtue of laws of descent and distribution upon death of the individual;

(D) in the case of an individual, Transfers pursuant to a qualified domestic relations order or in connection with a divorce settlement;

(E) in the case of an entity, Transfers by virtue of the laws of the state of the entity's organization and the entity's organizational documents upon dissolution of the entity;

(F) the exercise of any options, warrants or other convertible securities to purchase shares of Common Stock (which exercises may be effected on a cashless basis to the extent the instruments representing such options or warrants permit exercises on a cashless basis); provided, that any shares of Common Stock issued upon such exercise shall be subject to the Lockup;

(G) Transfers to the corporation to satisfy tax withholding obligations pursuant to the corporation's equity incentive plans or arrangements;

(H) Transfers to the corporation pursuant to any contractual arrangement in effect at the effective time of the Business Combination Transaction that provides for the repurchase by the corporation or forfeiture of a Lockup Holder's shares of Common Stock or options to purchase shares of Common Stock in connection with the termination of such Lockup Holder's service to the corporation;

(I) the entry, by a Lockup Holder, at any time after the effective time of the Business Combination Transaction, of any trading plan providing for the sale of shares of Common Stock by such Lockup Holder, which trading plan meets the requirements of Rule 10b5-1(c) under the Exchange Act; provided, however, that such plan does not provide for, or permit, the sale of any shares of Common Stock during the Lockup and no public announcement or filing is voluntarily made or required regarding such plan during the Lockup;

(J) transactions in the event of completion of a liquidation, merger, stock exchange or other similar transaction which results in all of the corporation's securityholders having the right to exchange their shares of Common Stock for cash, securities or other property;

(K) in connection with any bona fide mortgage, pledge or encumbrance to a financial institution in connection with any bona fide loan or debt transaction or enforcement thereunder, including foreclosure thereof;

(L) Company Incentive Shares (as defined in the Merger Agreement);

(M) with respect to any Lockup Holder other than the Lockup Holders described in clause (N) below, a number of shares equal to three percent (3%) of the shares of Common Stock issued as Merger Consideration (as defined in the Merger Agreement) (as adjusted for any applicable stock split, stock dividend, reorganization or other recapitalization); or

(N) Lockup Shares held by a holder of Company Convertible Notes or their permitted transferees in an amount equal to the number of Convertible Note Shares issued in respect of the principal amount of such Company Convertible Note multiplied by 1.33 (rounded down to the nearest whole share).

(e) Notwithstanding the other provisions set forth in this Section 38(c), the Board may, in its sole discretion, determine to waive the Lockup obligations, amend to shorten the Lockup Period, or repeal the Lockup obligations set forth herein.

(f) For purposes of this Section 38(c):

(A) the term "***Lockup Period***" means the period beginning on the closing date of the Business Combination Transaction and ending on the date that is the one (1) year anniversary of the closing date of the Business Combination Transaction (subject to early termination (a) if the closing price of the Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period commencing at least 150 days after the closing of the Business Combination Transaction or (b) upon the consummation of a change of control).

(B) the term "***Lockup Shares***" means the shares of Common Stock held by the Lockup Holders immediately following the closing of the Business Combination Transaction or otherwise issued or issuable to the holders in connection with or as a result of the Business Combination Transaction (other than shares of Common Stock acquired in the public market or pursuant to a transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to a subscription agreement where the issuance of shares of Common Stock occurs on or after the closing of the Business Combination Transaction); and

(C) the term "***Transfer***" means the (x) sale or assignment of, offer to sell, contract or agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security, (y) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (z) public announcement of any intention to effect any transaction specified in clause (x) or (y).

Section 39. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than 60 nor less than ten days before the date of such meeting. If the Board of Directors so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting, unless the Board of Directors determines, at the time it fixes the record date for determining the stockholders entitled to notice of such meeting, that a later date on or before the date of the meeting shall be the record date for determining the stockholders entitled to vote at such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day immediately preceding the day on which notice is given, or if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the adjourned meeting in accordance with the provisions of this Section 39(a).

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 40. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 41. Additional Powers of the Board. In addition to, and without limiting, the powers set forth in these Bylaws, the Board of Directors shall have power and authority to make all such rules and regulations as it shall deem expedient concerning the issue, transfer, and registration of certificates for shares of stock of the corporation, including the use of uncertificated shares of stock, subject to the provisions of the DGCL, other applicable law, the Certificate of Incorporation and these Bylaws. The Board of Directors may appoint and remove transfer agents and registrars of transfers, and may require all stock certificates to bear the signature of any such transfer agent and/or any such registrar of transfers.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 42. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 35), may be signed by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors; *provided*, *however*, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 43. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 44. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, determines proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose or purposes as the Board of Directors shall determine to be conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 45. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 46. Indemnification of Directors, Executive Officers, Employees and Other Agents.

(a) Directors and Executive Officers. The corporation shall indemnify to the full extent permitted under and in any manner permitted under the DGCL or any other applicable law, any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter, a "***Proceeding***"), by reason of the fact that such person is or was a director or executive officer (for the purposes of this Article XI, "executive officers" shall be those persons designated by the corporation as (a) executive officers for purposes of the disclosures required in the corporation's proxy and periodic reports or (b) officers for purposes of Section 16 of the 1934 Act) of the corporation, or while serving as a director or executive officer of the corporation, is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (collectively, "***Another Enterprise***"), against expenses (including attorneys' fees), judgments, fines (including ERISA excise taxes or penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful; *provided*, *however*, that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided*, *further*, that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by applicable law, (ii) the proceeding was authorized by the Board of Directors, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d) of this Section 46.

(b) Other Officers, Employees and Other Agents. The corporation shall have power to indemnify (including the power to advance expenses in a manner consistent with subsection (c) of this Section 46) its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding, by reason of the fact that such person is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of Another Enterprise, prior to the final disposition of the Proceeding, promptly following request therefor, all expenses (including attorneys' fees) incurred by any director or executive officer in connection with such Proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or executive officer in his or her capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 46 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this Section 46, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any Proceeding, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the Proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Section 46 shall be deemed to be contractual rights, shall vest when the person becomes a director or executive officer of the corporation, shall continue as vested contract rights even if such person ceases to be a director or executive officer of the corporation, and shall be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Section 46 to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of request therefor. To the fullest extent permitted by applicable law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any Proceeding, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his or her conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 46 or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Section 46 shall not be exclusive of any other right that such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer or officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase and maintain insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 46.

(h) Amendments. Any repeal or modification of this Section 46 shall only be prospective and shall not affect the rights under this Section 46 as in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding against any agent of the corporation.

(i) Saving Clause. If this Article XI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Article XI that shall not have been invalidated, or by any other applicable law. If this Article XI shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent not prohibited under the applicable law of such jurisdiction.

(j) Certain Definitions and Construction of Terms. For the purposes of Article XI of these Bylaws, the following definitions and rules of construction shall apply:

(i) References to "***Another Enterprise***" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation that imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section 46.

(ii) The term the "***corporation***" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 46 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iii) References to a "***director***," "***executive officer***," "***officer***," "***employee***," or "***agent***" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(iv) The term "***expenses***" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any Proceeding.

(v) The term "***Proceeding***" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

ARTICLE XII

NOTICES

Section 47. Notices.

(a) Notice to Stockholders. Notice to stockholders of stockholder meetings shall be given as provided in Section 7. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by applicable law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or nationally recognized overnight courier, or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws (including by any of the means specified in Section 22(d)), or by overnight delivery service. Any notice sent by overnight delivery service or U.S. mail shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication is Unlawful. Whenever notice is required to be given, under applicable law or any provision of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 48. Amendments. Subject to the limitations set forth in Section 46(h) and the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal these Bylaws of the corporation. Any adoption, amendment or repeal of these Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal these Bylaws of the corporation; *provided*, *however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by applicable law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66-2/3%of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

Exhibit 4.1

NUMBER
C-

SHARES
CUSIP 45175Q106

SEE REVERSE FOR CERTAIN DEFINITIONS

ILEARNINGENGINES, INC.
COMMON STOCK

THIS CERTIFIES THAT is the owner of fully paid and non-assessable shares of common stock, par value $0.0001 per share (the "***Common Stock***"), of iLearningEngines, Inc., a Delaware corporation (the "***Company***"), transferable on the books of the Company in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar of the Company.

Witness the facsimile signature of a duly authorized signatory of the Company.

Authorized Signatory

Transfer Agent

ILEARNINGENGINES, INC.

The Company will furnish without charge to each stockholder who so requests, a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of equity or series thereof of the Company and the qualifications, limitations, or restrictions of such preferences and/or rights. This certificate and the shares represented thereby are issued and shall be held subject to all the provisions of the Company's Amended and Restated Certificate of Incorporation and all amendments thereto and resolutions of the Board of Directors providing for the issue of securities (copies of which may be obtained from the secretary of the Company), to all of which the holder of this certificate by acceptance hereof assents.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UNIF GIFT MIN ACT	-	Custodian
TEN ENT	-	as tenants by the entireties			(Cust) (Minor)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common			under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list.

For value received, hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER(S) OF ASSIGNEE(S)

(PLEASE PRINT OR TYPEWRITE NAME(S) AND ADDRESS(ES), INCLUDING ZIP CODE(S), OF ASSIGNEE(S))

_____ *shares of Common Stock represented by the within Certificate, and hereby irrevocably constitutes and appoints*

_____ Attorney to transfer the said shares of Common Stock on the books of the within named Company with full power of substitution in the premises.

Dated:

Notice: The signature(s) to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 (OR ANY SUCCESSOR RULE).

Exhibit 4.2

Form of Warrant Certificate

[FACE]

Number

Warrants

THIS WARRANT SHALL BE VOID IF NOT EXERCISED PRIOR TO THE EXPIRATION OF THE EXERCISE PERIOD PROVIDED FOR IN THE WARRANT AGREEMENT DESCRIBED BELOW

ILEARNINGENGINES, INC.
Incorporated Under the Laws of the State of Delaware

CUSIP US45175Q114

Warrant Certificate

This Warrant Certificate certifies that _____, or registered assigns, is the registered holder of _____ warrant(s) evidenced hereby (the "***Warrants***" and each, a "***Warrant***") to purchase shares of common stock, $0.0001 par value per share ("***Common Stock***"), of iLearningEngines, Inc., a Delaware corporation (the "***Company***"). Each whole Warrant entitles the holder, upon exercise during the period set forth in the Warrant Agreement referred to below, to receive from the Company that number of fully paid and nonassessable shares of Common Stock as set forth below, at the exercise price (the "***Warrant Price***") as determined pursuant to the Warrant Agreement, payable in lawful money (or through "***cashless exercise***" as provided for in the Warrant Agreement) of the United States of America upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of the Warrant Agent referred to below, subject to the conditions set forth herein and in the Warrant Agreement. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Each whole Warrant is initially exercisable for one fully paid and non-assessable share of Common Stock. No fractional shares will be issued upon exercise of any Warrant. If, upon the exercise of Warrants, a holder would be entitled to receive a fractional interest in a share of Common Stock, the Company will, upon exercise, round down to the nearest whole number the number of shares of Common Stock to be issued to the Warrant holder. The number of shares of Common Stock issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

The initial Warrant Price per share of Common Stock for any Warrant is equal to $11.50 per share. The Warrant Price is subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

Subject to the conditions set forth in the Warrant Agreement, the Warrants may be exercised only during the Exercise Period and to the extent not exercised by the end of such Exercise Period, such Warrants shall become void. The Warrants may be redeemed, subject to certain conditions, as set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement. This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

ILEARNINGENGINES, INC.

By: _____
Name:
Title:

CONTINENTAL STOCK TRANSFER & TRUST COMPANY,
as Warrant Agent

By: _____
Name:
Title:

[Signature Page to Warrant Certificate]

[Form of Warrant Certificate]

[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants entitling the holder on exercise to receive _____ shares of Common Stock and are issued or to be issued pursuant to a Warrant Agreement dated as of March 4, 2021 (the "***Warrant Agreement***"), duly executed and delivered by the Company to Continental Stock Transfer & Trust Company, a New York corporation, as warrant agent (the "***Warrant Agent***"), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "***holders***" or "***holder***" meaning the Registered Holders or Registered Holder, respectively) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Warrants may be exercised at any time during the Exercise Period set forth in the Warrant Agreement. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment of the Warrant Price as specified in the Warrant Agreement (or through "*cashless exercise*" as provided for in the Warrant Agreement) at the principal corporate trust office of the Warrant Agent. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his, her or its assignee, a new Warrant Certificate evidencing the number of Warrants not exercised.

Notwithstanding anything else in this Warrant Certificate or the Warrant Agreement, no Warrant may be exercised unless at the time of exercise (i) a registration statement covering the shares of Common Stock to be issued upon exercise is effective under the Securities Act and (ii) a prospectus thereunder relating to the shares of Common Stock is current, except through "*cashless exercise*" as provided for in the Warrant Agreement.

The Warrant Agreement provides that upon the occurrence of certain events the number of shares of Common Stock issuable upon exercise of the Warrants set forth on the face hereof may, subject to certain conditions, be adjusted. If, upon exercise of a Warrant, the holder thereof would be entitled to receive a fractional interest in a share of Common Stock, the Company shall, upon exercise, round down to the nearest whole number of shares of Common Stock to be issued to the holder of the Warrant.

Warrant Certificates, when surrendered at the principal corporate trust office of the Warrant Agent by the Registered Holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the Registered Holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

Election to Purchase

(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive _____ shares of Common Stock and herewith tenders payment for such shares of Common Stock to the order of iLearningEngines, Inc. (the "***Company***") in the amount of $_____ in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of _____, whose address is _____ and that such shares of Common Stock be delivered to _____ whose address is _____. If said _____ number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares of Common Stock be registered in the name of _____, whose address is _____ and that such Warrant Certificate be delivered to _____, whose address is _____.

In the event that the Warrant has been called for redemption by the Company pursuant to Section 6.1 of the Warrant Agreement and the Company has required cashless exercise pursuant to Section 6.3 of the Warrant Agreement, the number of shares of Common Stock that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(b) and Section 6.3 of the Warrant Agreement.

In the event that the Warrant is a Private Placement Warrant or a Working Capital Warrant that is to be exercised on a "cashless" basis pursuant to subsection 3.3.1(c) of the Warrant Agreement, the number of shares of Common Stock that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) of the Warrant Agreement.

In the event that the Warrant is to be exercised on a "cashless" basis pursuant to Section 7.4 of the Warrant Agreement, the number of shares of Common Stock that this Warrant is exercisable for shall be determined in accordance with Section 7.4 of the Warrant Agreement.

In the event that the Warrant may be exercised, to the extent allowed by the Warrant Agreement, through cashless exercise (i) the number of shares of Common Stock that this Warrant is exercisable for would be determined in accordance with the relevant section of the Warrant Agreement which allows for such cashless exercise and (ii) the holder hereof shall complete the following: The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, through the cashless exercise provisions of the Warrant Agreement, to receive shares of Common Stock. If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder (after giving effect to the cashless exercise), the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares of Common Stock be registered in the name of _____, whose address is _____ and that such Warrant Certificate be delivered to _____, whose address is _____.

[*Signature Page Follows*]

Date: _____, 20

(Signature)

(Address)

(Tax Identification Number)

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (OR ANY SUCCESSOR RULE)).

Exhibit 4.7

ILEARNINGENGINES, INC.

STOCK RESTRICTION AGREEMENT

THIS STOCK RESTRICTION AGREEMENT (the "***Agreement***") is made as of April 16, 2024 by and between **ILEARNINGENGINES, INC.**, a Delaware corporation (the "***Company***") and **[Ÿ]** ("***Holder***"). Certain capitalized terms used below are defined in the terms and conditions set forth in **Exhibit A** attached to this Agreement, which are incorporated by reference.

Total shares of Stock purchased:	[●] (the "***Stock***")
Purchase Price per share:	$0.025393662
Total Purchase Price:	$[●]
Vesting Commencement Date:	April 16, 2024

Vesting Schedule:

One-tenth of the shares of the Stock shall vest and be released from the Repurchase Option on each annual anniversary of the Vesting Commencement Date (rounded down to the nearest whole share, except for the last vesting installment), subject to the Holder's Continuous Service (as defined in the Company's 2024 Equity Incentive Plan) as of each such date.

[Remainder of page intentionally left blank]

Additional Terms/Acknowledgements: The undersigned Holder acknowledges receipt of, and understands and agrees to, this Stock Restriction Agreement, including the terms and conditions set forth in **Exhibit A** attached to this Agreement, which are incorporated by reference.

COMPANY:

ILEARNINGENGINES, INC.

By: _____

Name:
Title:

E-mail: _____

Address: 6701 Democracy Blvd, Suite 300
Bethesda, MD 20817

HOLDER:

[●]

_____
(Signature)

E-mail: _____

Address:

EXHIBIT A

TERMS AND CONDITIONS INCORPORATED INTO STOCK RESTRICTION AGREEMENT

1. Adjusted Restricted Stock. Reference is made to that certain Agreement and Plan of Merger and Reorganization, dated April 27, 2023 (the "***Merger Agreement***"). The Stock (as defined below) is being issued as Merger Consideration (as defined in the Merger Agreement) in connection with the consummation of the transactions contemplated by the Merger Agreement, including the Merger (as defined in the Merger Agreement), and constitutes Adjusted Restricted Stock (as defined in the Merger Agreement).

2. Investment Representations. In connection with the purchase of the Stock, Holder represents to the Company the following:

(a) Holder is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Stock. Holder is purchasing the Stock for investment for Holder's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "***Act***").

(b) Holder understands that the Stock has not been registered under the Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed in this Agreement.

(c) Holder further acknowledges and understands that the Stock must be held indefinitely unless the Stock is subsequently registered under the Act or an exemption from such registration is available. Holder further acknowledges and understands that the Company is under no obligation to register the Stock. Holder understands that the certificate evidencing the Stock will be imprinted with a legend that prohibits the transfer of the Stock unless the Stock is registered or such registration is not required in the opinion of counsel for the Company.

(d) Holder is familiar with the provisions of Rule 144 under the Act as in effect from time to time, that, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of such securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions.

(e) Holder further understands that at the time Holder wishes to sell the Stock there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Company may not be satisfying the current public information requirements of Rule 144, and that, in such event, Holder may be precluded from selling the Stock under Rule 144 even if the minimum holding period requirement had been satisfied.

(f) Holder further warrants and represents that Holder has either (i) preexisting personal or business relationships, with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect Holder's own interests in connection with the purchase of the Stock by virtue of the business or financial expertise of Holder or of professional advisors to Holder who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

(g) Holder acknowledges that Holder has read all tax related sections and further acknowledges Holder has had an opportunity to consult Holder's own tax, legal and financial advisors regarding the purchase of common stock under this Agreement.

(h) Holder acknowledges and agrees that in making the decision to purchase the common stock under this Agreement, Holder has not relied on any statement, whether written or oral, regarding the subject matter of this Agreement, except as expressly provided in this Agreement and in the attachments and exhibits to this Agreement.

(i) If the Holder is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "***Code***")), the Holder has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Stock or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Stock, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Stock. The Holder's subscription and payment for and continued beneficial ownership of the Stock will not violate any applicable securities or other laws of the Holder's jurisdiction.

3. Restrictive Legends. All certificates representing the Stock shall have endorsed thereon legends in substantially the following forms (in addition to any other legend which may be required by other agreements between the parties to this Agreement):

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN OPTION SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE CORPORATION. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO SUCH OPTION IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE CORPORATION."

(b) "THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO A LOCK-UP PERIOD AS SET FORTH IN THE BYLAWS OF ILEARNINGENGINES, INC., THE TERMS OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST OF THE SECRETARY OF THE COMPANY. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SECURITIES."

(c) "THE SECURITIES REPRESENTED HEREBY ARE HELD BY A PERSON WHO MAY BE DEEMED TO BE AN AFFILIATE OF THE COMPANY FOR PURPOSES OF RULE 144 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED."

(d) Any legend required by appropriate blue sky officials.

4. Repurchase Option. The following provisions shall apply to the Unvested Shares, as provided in the cover page to this Agreement (the "***Vesting Provisions***"):

(a) Repurchase Option. In the event Holder's relationship with the Company (or a parent or subsidiary of the Company) terminates for any reason (including death or disability), or for no reason, with or without cause, such that after such termination Holder is no longer providing services to the Company (or a parent or subsidiary of the Company) as an employee, consultant or advisor (a "***Service Provider***"), then the Company shall have an irrevocable option (the "***Repurchase Option***") for a period of 120 days after said termination (the "***Repurchase Period***") to repurchase from Holder or Holder's personal representative, as the case may be, at the lower of (i) the Purchase Price per share as provided in the cover page to this Agreement, or (ii) the Fair Market Value per share of such Unvested Shares as of the date of repurchase (such lower price, the "***Option Price***"), up to but not exceeding the number of Unvested Shares that have not vested in accordance with the Vesting Provisions as of such termination date. The Repurchase Option shall be exercised as provided in Section 5(b). For purposes of the Repurchase Option, the "***Fair Market Value***" shall mean the value of the Unvested Shares as determined in good faith by the Company's Board of Directors. The term of the Repurchase Option shall be extended to such longer period (A) as may be agreed to by the Company and the Holder, or (B) as needed to ensure the stock issued by the Company does not lose its status as "qualified small business stock" under Section 1202 of the Code (as defined below). **Holder acknowledges that the Company has no obligation, either now or in the future, to repurchase any of the shares of Common Stock, whether vested or unvested, at any time. Further, Holder acknowledges and understands that, in the event that the Company repurchases shares, the repurchase price may be less than the price Holder originally paid and that Holder bears any risk associated with the potential loss in value.**

(b) Exercise of Repurchase Option. The Company, or any assignee or assignees of the Company, may exercise the Repurchase Option by giving notice to the holder of the Unvested Shares during the Repurchase Period in writing. Notwithstanding the foregoing, the Company shall be deemed to have exercised the Repurchase Option as of the last day of the Repurchase Period, unless an officer of the Company gives notice to the holder of the Unvested Shares during the Repurchase Period in writing that the Company expressly declines to exercise its Repurchase Option for some or all of the Unvested Shares. Upon exercise of the Repurchase Option, the Company shall pay to the holder of the Unvested Shares the Option Price for the Unvested Shares being repurchased. The Company shall be entitled to pay for any Unvested Shares purchased pursuant to its Repurchase Option at the Company's option in cash or by offset against any indebtedness owing to the Company by Holder (including without limitation any Note given in payment for the Unvested Shares), or by a combination of both. Upon exercise of the Repurchase Option and payment of the purchase price in any of the ways described above, the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and all rights and interest in or related to the Unvested Shares, and the Company shall have the right to transfer to its own name the Unvested Shares being repurchased by the Company, without further action by Holder. The certificate(s) representing the Unvested Shares that have been repurchased by the Company shall be delivered to the Company. It is expressly agreed between the parties that money damages are inadequate to compensate the Company for the Unvested Shares and that the Company shall, upon proper exercise of the Repurchase Option, be entitled to specific enforcement of its rights to purchase and receive said Unvested Shares.

(c) Adjustments to Unvested Shares. If, from time to time, during the term of the Repurchase Option there is any change affecting the Company's outstanding Common Stock as a class that is effected without the receipt of consideration by the Company (through merger, consolidation, reorganization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, change in corporation structure or other transaction not involving the receipt of consideration by the Company), then any and all new, substituted or additional securities or other property to which Holder is entitled by reason of Holder's ownership of Unvested Shares shall be immediately subject to the Repurchase Option and be included in the meaning of "Unvested Shares" for all purposes of the Repurchase Option with the same force and effect as the Unvested Shares presently subject to the Repurchase Option, but only to the extent the Unvested Shares are, at the time, covered by such Repurchase Option. While the total Option Price shall remain the same after each such event, the Option Price of the Unvested Shares upon exercise of the Repurchase Option shall be appropriately adjusted.

(d) Termination of Repurchase Option. Sections 5(a) through 5(d) of this Agreement shall terminate upon the exercise in full or expiration of the Repurchase Option, whichever occurs first.

(e) Escrow of Unvested Shares. As security for Holder's faithful performance of the terms of this Agreement and to insure the availability for delivery of Holder's Unvested Shares upon exercise of the Repurchase Option herein provided for, Holder agrees, at the closing hereunder, to deliver to and deposit with the Secretary of the Company or the Secretary's designee, including the person or entity named in Joint Escrow Instructions of the Company and Holder attached to this Agreement as Exhibit B and incorporated by this reference ("***Joint Escrow Instructions***"), as Escrow Agent in this transaction ("***Escrow Agent***"), one stock assignment duly endorsed (with date and number of shares blank) in the form attached to this Agreement as Exhibit C, together with a certificate or certificates evidencing all Unvested Shares that are subject to the Repurchase Option; said documents are to be held by the Escrow Agent and delivered by said Escrow Agent pursuant to the Joint Escrow Instructions, which instructions shall also be delivered to the Escrow Agent at the closing hereunder. Holder acknowledges that the Escrow Agent is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Holder agrees that Escrow Agent shall not be liable to any party hereof (or to any other party). Escrow Agent may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Holder agrees that if the Escrow Agent resigns as Escrow Agent for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as Escrow Agent pursuant to the terms of this Agreement. Holder agrees that if the Secretary of the Company resigns as Secretary, the successor Secretary shall serve as Escrow Agent pursuant to the terms of this Agreement.

(f) Rights of Holder. Subject to the provisions of Sections 5(f), 5(h), 4 and 5(j) in this Agreement, Holder shall exercise all rights and privileges of a stockholder of the Company with respect to the Unvested Shares deposited in escrow. Holder shall be deemed to be the holder for purposes of receiving any dividends that may be paid with respect to such Unvested Shares and for the purpose of exercising any voting rights relating to such Unvested Shares, even if some or all of such Unvested Shares have not yet vested and been released from the Repurchase Option.

(g) Limitations on Transfer. In addition to any other limitation on transfer created by applicable securities laws, Holder shall not assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Unvested Shares while the Unvested Shares are subject to the Repurchase Option. After any Unvested Shares have been released from the Repurchase Option, Holder shall not assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Unvested Shares except in compliance with the provisions herein, in the Company's Bylaws and applicable securities laws. Furthermore, the Unvested Shares shall be subject to any right of first refusal in favor of the Company or its assignees that may be contained in the Company's Bylaws. **Holder further acknowledges that Holder may be required to hold the Common Stock purchased hereunder indefinitely. During the period of time during which the Holder holds the Common Stock, the value of the Common Stock may increase or decrease, and any risk associated with such Common Stock and such fluctuation in value shall be borne by the Holder.**

(h) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Unvested Shares of the Company that shall have been transferred in violation of any of the provisions set forth in this Agreement or (ii) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.

(i) No Employment Rights. This Agreement is not an employment or other service contract and nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company (or a parent or subsidiary of the Company) to terminate Holder's employment or other service relationship for any reason at any time, with or without cause and with or without notice.

(j) Parachute Payments.

(i) If any payment or benefit Holder would receive pursuant to a Corporate Transaction from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Holder's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments and/or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: reduction of current cash payments; reduction of deferred cash payments subject to Code Section 409A; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of Holder's stock awards.

(ii) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Corporate Transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group affecting the Corporate Transaction, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(iii) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Holder within fifteen (15) calendar days after the date on which Holder's right to a Payment is triggered (if requested at that time by the Company or Holder) or such other time as requested by the Company or Holder. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, it shall furnish the Company and Holder with an opinion reasonably acceptable to Holder that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Holder.

(k) Definitions. For purposes of this Agreement, "***Change in Control***" shall mean (1) a merger or consolidation in which the Company is a constituent party (or in which a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation), other than a merger or consolidation in which the voting securities of the Company outstanding immediately prior to such merger or consolidation continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation, or (2) any transaction or series of related transactions in which in excess of 50% of the Company's voting power is transferred, other than the sale by the Company of stock in transactions the primary purpose of which is to raise capital for the Company's operations and activities, or (3) a sale, lease, exclusive license or other disposition of all or substantially all (as determined by the Board of Directors in its sole discretion) of the assets of the Company other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exclusive license or other disposition.

5. MISCELLANEOUS.

(a) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not during normal business hours of the recipient, then on the next business day; (iii) five calendar days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the other party to this Agreement at such party's address hereinafter set forth on the signature page hereof, or at such other address as such party may designate by 10 days' advance written notice to the other party hereto.

(b) Successors and Assigns. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer herein set forth, be binding upon Holder, Holder's successors, and assigns. The Repurchase Option of the Company hereunder shall be assignable by the Company at any time or from time to time, in whole or in part.

(c) Attorneys' Fees. The prevailing party in any suit or action hereunder shall be entitled to recover from the losing party all costs incurred by it in enforcing the performance of, or protecting its rights under, any part of this Agreement, including reasonable costs of investigation and attorneys' fees.

(d) Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. The parties agree that any action brought by either party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state or federal court for the district encompassing the Company's principal place of business.

(e) Further Execution. The parties agree to take all such further actions as may reasonably be necessary to carry out and consummate this Agreement as soon as practicable, and to take whatever steps may be necessary to obtain any governmental approval in connection with or otherwise qualify the issuance of the securities that are the subject of this Agreement.

(f) Independent Counsel. Holder acknowledges that this Agreement has been prepared on behalf of the Company by Cooley LLP, counsel to the Company and that Cooley LLP does not represent, and is not acting on behalf of, Holder. Holder has been provided with an opportunity to consult with his, her or its own counsel with respect to this Agreement.

(g) Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior agreements or understandings, whether written or oral, with respect to the subject matter hereof. This Agreement may not be amended, modified or revoked, in whole or in part, except by an agreement in writing signed by each of the parties hereto.

(h) 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.

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[End of Exhibit A to Stock Restriction Agreement]

EXHIBIT B

JOINT ESCROW INSTRUCTIONS

ILEARNINGENGINES, INC.

JOINT ESCROW INSTRUCTIONS

Secretary
iLearningEngines, Inc.
6701 Democracy Blvd., Suite 300
Bethesda, MD 20817

Ladies and Gentlemen:

As Escrow Agent for both **iLearningEngines, INC.,** a Delaware corporation ("***Company***"), and **[Ÿ]** ("***Holder***"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Stock Restriction Agreement dated as of April 16, 2024 ("***Agreement***"), to which a copy of these Joint Escrow Instructions is attached as an Exhibit, in accordance with the following instructions:

1. In the event Company or an assignee shall elect to exercise the Repurchase Option set forth in the Agreement, the Company or its assignee will give to Holder and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing thereunder at the principal office of the Company. Holder and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the same, together with the certificate evidencing the shares of stock to be transferred, to the Company against the simultaneous delivery to you of the purchase price (which may include suitable acknowledgment of cancellation of indebtedness) for the number of shares of stock being purchased pursuant to the exercise of the Repurchase Option.

3. Holder irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as specified in the Agreement. Holder does hereby irrevocably constitute and appoint you as his attorney-in-fact and agent for the term of this escrow to execute with respect to such securities all documents necessary or appropriate to make such securities negotiable and complete any transaction herein contemplated, including but not limited to any appropriate filing with state or government officials or bank officials. Subject to the provisions of this paragraph 3, Holder shall exercise all rights and privileges of a shareholder of the Company while the stock is held by you. For the avoidance of doubt, the Holder may request in writing that you transfer possession of any shares of stock that have vested according to the Agreement and are no longer subject to the Repurchase Option.

4. This escrow shall terminate upon the exercise in full or expiration of the Repurchase Option, whichever occurs first.

5. If at the time of termination of this escrow under Section 4 herein you should have in your possession any documents, securities, or other property belonging to Holder, you shall deliver all of the same to Holder and shall be discharged of all further obligations hereunder; *provided, however*, that if at the time of termination of this escrow you are advised by the Company that any property subject to this escrow is the subject of a pledge or other security agreement, you shall deliver all such property to the pledgeholder or other person designated by the Company.

6. Except as otherwise provided in these Joint Escrow Instructions, your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Holder while acting in good faith and in the exercise of your own good judgment, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or entity, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver these Joint Escrow Instructions documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under any statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be Secretary of the Company or if you shall resign by written notice to the Company. In the event of any such termination, the Secretary of the Company shall automatically become the successor Escrow Agent unless the Company shall appoint another successor Escrow Agent, and Holder hereby confirms the appointment of such successor as Holder's attorney-in-fact and agent to the full extent of your appointment.

12. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

14. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, and if not during normal business hours of the recipient, then on the next business day, (c) five calendar days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the other party hereto at such party's address set forth below, or at such other address as such party may designate by 10 days advance written notice to the other party hereto.

Company:	iLearningEngines, Inc. Attention: Chief Legal Officer 6701 Democracy Blvd, Suite 300 Bethesda, MD 20817
Holder:	[●]
Escrow Agent:	iLearningEngines, Inc. Attention: Secretary 6701 Democracy Blvd, Suite 300 Bethesda, MD 20817

15. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

16. You shall be entitled to employ such legal counsel and other experts (including, without limitation, the firm of Cooley LLP) as you may deem necessary properly to advise you in connection with your obligations hereunder. You may rely upon the advice of such counsel, and you may pay such counsel reasonable compensation therefor. The Company shall be responsible for all fees generated by such legal counsel in connection with your obligations hereunder.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. It is understood and agreed that references to "you" and "your" herein refer to the original Escrow Agents and to any and all successor Escrow Agents. It is understood and agreed that the Company may at any time or from time to time assign its rights under the Agreement and these Joint Escrow Instructions in whole or in part.

18. These Joint Escrow Instructions shall be governed by and interpreted and determined in accordance with the laws of the State of Delaware, as such laws are applied by Delaware courts to contracts made and to be performed entirely in Delaware by residents of that state. The parties hereby expressly consent to the personal jurisdiction of the state and federal courts located in the county in which the Company has its principal offices for any lawsuit arising from or related to this Agreement.

[Remainder of page intentionally left blank]

The undersigned have executed this **JOINT ESCROW INSTRUCTIONS** as of the date set forth above.

HOLDER:

(Signature)

Address:

COMPANY:

ILEARNINGENGINES, INC.

By:
Name:
Title:

Address: 6701 Democracy Blvd, Suite 300
Bethesda, MD 20817

ESCROW AGENT:

[●]

EXHIBIT C

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

For Value Received, the undersigned sells, assigns and transfers unto **ILEARNINGENGINES, INC.**, a Delaware corporation (the "***Company***"), pursuant to the Repurchase Option under that certain Stock Restriction Agreement, dated April 16, 2024, by and between the undersigned and the Company (the "***Agreement***") _____ shares of Common Stock of the Company standing in the undersigned's name on the books of the Company represented by Certificate No[s] _____ and does irrevocably constitute and appoint both the Company's Secretary and the Company's attorney, or either of them, to transfer said stock on the books of the Company with full power of substitution in the premises. This Assignment may be used only in accordance with and subject to the terms and conditions of the Agreement, in connection with the repurchase of shares of Common Stock issued to the undersigned pursuant to the Agreement, and only to the extent that such shares remain subject to the Company's Repurchase Option under the Agreement.

Dated: _____ **[●]**

(Leave blank)

_____

(Signature)

Instruction: ***Please do not fill in any blanks other than the signature line. Do not fill in the date line***. The purpose of this Assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of the Holder.

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT (INDICATED BY "[***]") BECAUSE ILEARNINGENGINES, INC. HAS DETERMINED SUCH INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

This Amended and Restated Registration Rights Agreement (this "***Agreement***") is made as of April 16, 2024 by and among Arrowroot Acquisition Corp., a Delaware corporation (the "***Company***"), iLearningEngines, Inc., a Delaware corporation ("***iLearningEngings***"), each of the persons listed on the signature page hereto (each, a "***Securityholder***" and collectively, the "***Securityholders***"), and any other person or entity who hereafter becomes a party to this Agreement pursuant to Section 5.2 of this Agreement (together, with the Securityholders, each a "***Holder***" and, collectively, the "***Holders***").

RECITALS

WHEREAS, on April 27, 2023, the Company entered into that certain Agreement and Plan of Merger and Reorganization (as it may be amended, supplemented or otherwise modified from time to time, the "***Merger Agreement***"), by and among the Company, iLearningEngines, and ARAC Merger Sub, Inc., a Delaware corporation, pursuant to which, among other things, on the date hereof, the Company issued to the former equity holders of iLearningEngines, in consideration of the iLearningEngines securities held by them, shares of the Company's common stock, par value $0.0001 per share (the "***Common Stock***"), in connection with the Closing (as defined herein) of the transactions contemplated by the Merger Agreement (the "***Business Combination***");

WHEREAS, the Company, Arrowroot Acquisition LLC, a Delaware limited liability company ("***Sponsor***"), and certain Arrowroot Insiders (as defined below) are parties to that certain Registration Rights Agreement, dated as of March 4, 2021 (the "***Original Registration Rights Agreement***");

WHEREAS, pursuant to the Merger Agreement, the Company and the Sponsor have agreed to amend and restate the Original Registration Rights Agreement pursuant to the terms hereof in order to provide certain registration rights to the Securityholders and other Holders, as set forth in this Agreement; and

WHEREAS, pursuant to Section 5.5 of the Original Registration Rights Agreement, the provisions, covenants, and conditions set forth therein may be amended or modified upon the written consent of the Company and the Holders, as defined in the Original Registration Rights Agreement (the "***Original Holders***"), of a majority in interest of the Registrable Securities (as defined in the Original Registration Rights Agreement) at the time in question, and the Sponsor and/or its Permitted Transferees (as defined in the Original Registration Rights Agreement) holds all of the Registrable Securities as of the date hereof; and

WHEREAS, in connection with the Closing, the Company, the Holders and the Original Holders desire to amend and restate the Original Registration Rights Agreement in its entirety and enter into this Agreement, pursuant to which the Company shall grant the Holders and the Original Holders certain registration rights with respect to certain securities of the Company, as set forth in this Agreement.

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 defined terms used herein but not otherwise defined shall have the respective meanings ascribed to them in the Merger Agreement. 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 Chief Executive Officer or the Chief Financial Officer of the Company or the Board, after consultation with counsel to the Company, (a) 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 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, (b) would not be required to be made at such time if the Registration Statement were not being filed, declared effective or used, as the case may be, and (c) the Company has a bona fide business purpose for not making such information public.

"***Affiliate***" shall mean, with respect to any specified Holder, any person or entity who directly or indirectly, controls, is controlled by or is under common control with such Holder, including, without limitation, any general partner, managing member, officer, director or trustee of such Holder, or any investment fund or registered investment company now or hereafter existing which is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Holder.

"***Agreement***" shall have the meaning given in the Preamble hereto.

"***Arrowroot Insiders***" shall mean the persons listed on the signature pages hereto under the caption "***Arrowroot Insiders***".

"***Block Trade***" shall mean a registered offering and/or sale of Registrable Securities by any Holder on a coordinated or underwritten basis commonly known as a "block trade" (whether firm commitment or otherwise) not involving a roadshow or other substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction.

"***Board***" shall mean the Board of Directors of the Company.

"***Business Combination***" shall have the meaning given in the Recitals.

"***Business Day***" shall mean any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

"***Closing***" shall have the meaning given in the Merger Agreement.

"***Closing Date***" shall have the meaning given in the Merger Agreement.

"***Commission***" shall mean the Securities and Exchange Commission.

"***Commission Guidance***" shall mean (a) any publicly-available written guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (b) the Securities Act and the rules and regulations thereunder.

"***Common Stock***" shall have the meaning given in the Recitals hereto.

"***Company***" shall have the meaning given in the Preamble hereto and includes the Company's successors by recapitalization, merger, consolidation, spin-off, reorganization or similar transaction.

"***Demand Registration***" shall have the meaning given in subsection 2.2.1.

"***Demanding Holder***" shall have the meaning given in subsection 2.2.1.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

"***Form S-1***" shall have the meaning given in subsection 2.1.1.

"***Form S-3***" shall have the meaning given in subsection 2.1.3.

"***Founder Shares***" shall mean the shares of Common Stock issued to the Sponsor and the Arrowroot Insiders prior to Arrowroot's initial public offering.

"***Holders***" shall have the meaning given in the Preamble hereto for so long as such person or entity holds any Registrable Securities.

"***iLearningEngines Insiders***" shall mean the persons listed on the signature pages hereto under the caption "iLearningEngines Insiders".

"***Insiders***" shall mean, collectively, the Sponsor, Arrowroot Insiders, and iLearningEngines Insiders.

"***Lockup Period***" shall (i) with respect to the iLearningEngines Insiders, have the meaning ascribed to such term in the Amended and Restated Bylaws of the Company and (ii) with respect to the Sponsor and the Arrowroot Insiders, mean the Founder Shares Lockup Period as such term is defined in that certain letter agreement, dated as of March 4, 2021, by and among the Company, Sponsor, the Arrowroot Insiders and the other parties thereto.

"***Maximum Number of Securities***" shall have the meaning given in subsection 2.2.4.

"***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 or Prospectus, or necessary to make the statements in a Registration Statement or Prospectus (in the light of the circumstances under which they were made) not misleading.

"***Other Coordinated Offering***" shall mean an "at the market" or similar registered offering through a broker, sales agent or distribution agent, whether as agent or principal.

"***Permitted Transfers***" shall mean Transfers to each of the following (each of which shall be considered a "***Permitted Transferee***"): (a) to the Company's officers or directors, any Affiliate or family member of any of the Company's officers or directors, (b) in the case of an entity, to such Holder's Affiliates, members, stockholders, partners or other equity holders, or any of their Affiliates, (c) in the case of an individual, by gift to a member of such individual's immediate family or to a trust, the beneficiary of which is a member of such individual's immediate family, an Affiliate of such individual or to a charitable organization; (d) in the case of an individual, by virtue of laws of descent and distribution upon death of such individual; (e) in the case of an individual, pursuant to a qualified domestic relations order; (f) by virtue of the laws of the State of Delaware; (g) if the Holder is an entity, by virtue of the Holder's organizational agreement upon dissolution of the Holder; or (h) in the event of the Company's liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the Closing Date; provided, however, that in the case of clauses (a) through (g), these Permitted Transferees must enter into a written agreement with the Company agreeing to be bound by the transfer restrictions herein.

"***Piggyback Registration***" shall have the meaning given in subsection 2.3.1.

"***Private Placement Lockup Period***" shall mean, with respect to Private Placement Warrants that are held by the Sponsor or its Permitted Transferees (including the Common Stock issuable upon the exercise of such Warrants), the period ending 30 days after the Closing.

"***Private Placement Warrants***" shall mean the warrants of the Company issued to the Sponsor pursuant to that certain Private Placement Warrants Purchase Agreement dated as of March 1, 2021.

"***Pro Rata***" shall have the meaning given in subsection 2.2.4.

"***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 material incorporated by reference in such prospectus.

"***Registrable Security***" shall mean, following the Closing, (a) the Founder Shares, (b) the Private Placement Warrants (including any shares of Common Stock issued or issuable upon the exercise of such Warrants), (c) the shares of Common Stock issued to the iLearningEngines Insiders pursuant to the Merger Agreement held by a Holder (including shares of Common Stock issued at the Closing and shares of Common Stock issued upon satisfaction of the earnout conditions set forth in the Merger Agreement), (d) any outstanding shares of Common Stock or any other equity security (including the shares of Common Stock issued or issuable upon the exercise of any other equity security) of the Company held by a Holder as of the date of this Agreement to the extent such securities are "restricted securities" or are held by an "affiliate" (each as defined in Rule 144 under the Securities Act), (e) any shares of Common Stock issued upon conversion of those certain Company Convertible Promissory Notes issuable from time to time pursuant to that certain Convertible Note Purchase Agreement, dated as of April 27, 2023, and (f) any other equity security of the Company issued or issuable with respect to any such share of Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction; provided, however, that, as to any particular Registrable Securities, such securities shall cease to be Registrable Securities upon the earliest to occur of: (A) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (B) such securities shall have been otherwise transferred, new certificates for such securities not bearing (or book entry positions not subject to) a legend restricting further transfer shall have been delivered to the Holder by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (C) such securities shall have ceased to be outstanding; (D) such securities may be sold, transferred, disposed of or exchanged 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); or (E) 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, Prospectus, 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 documented out-of-pocket expenses of a Registration, including, without limitation, the following:

(a) all registration, listing and filing fees (including the reasonable and documented fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any national securities exchange on which the Common Stock is then listed;

(b) the reasonable and documented fees and expenses of compliance with securities or blue sky laws, if any (including reasonable and documented fees and disbursements of outside 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;

(e) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(f) reasonable fees and expenses of one (1) legal counsel (not to exceed $50,000 in the aggregate for each Registration without prior approval of the Company) selected by the majority-in-interest of the Demanding Holders initiating a Demand Registration in the form of an Underwritten Offering or Other Coordinated Offering.

"***Registration Statement***" shall mean a registration statement filed by the Company with the Commission in compliance with the Securities Act and the rules and regulations promulgated thereunder for a public offering and sale of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities (other than a registration statement on Form S-4 or S-8, or their successors, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another entity).

"***Removed Shares***" shall have the meaning given in Section 2.4.

"***Requesting Holder***" shall have the meaning given in subsection 2.2.1.

"***Securities Act***" shall mean the Securities Act of 1933, as amended from time to time.

"***Sponsor***" shall have the meaning set forth in the recitals.

"***Transfer***" shall mean the (a) sale or assignment of, offer to sell, contract or agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act, and the rules and regulations of the Commission promulgated thereunder with respect to, any security, (b) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (c) public announcement of any intention to effect any transaction specified in clause (a) or (b).

"***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 Offering***" shall mean an offering in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

"***Warrants***" shall mean the Company's warrants, each whole warrant exercisable for one share of Common Stock at an initial exercise price of $11.50 per share, beginning thirty (30) days after the Closing Date.

ARTICLE II
REGISTRATIONS

2.1 Post-Closing Registration.

2.1.1 Filing. As soon as practicable after the Closing Date, but in any event within thirty (30) calendar days after the Closing Date, the Company shall submit to or file with the Commission a Registration Statement to permit the public resale of all the Registrable Securities on a delayed or continuous basis as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) on the terms and conditions specified in this Section 2.1 and shall use its commercially reasonable efforts to cause such Registration Statement to be declared effective as soon as practicable after the filing thereof, but in any event no later than sixty (60) calendar days after the Closing Date (the "***Effectiveness Deadline***"); provided, that the Effectiveness Deadline shall be extended to one hundred twenty (120) calendar days after the Closing Date if the Registration Statement is reviewed by, and comments thereto are provided from, the Commission; provided, further, the Company shall have the Registration Statement declared effective within ten (10) Business Days after the date the Company is notified (orally or in writing, whichever is earlier) by the staff of the Commission that the Registration Statement will not be "reviewed" or will not be subject to further review. If the Effectiveness Deadline falls on a Saturday, Sunday, or other day that the Commission is closed for business, the relevant deadlines shall be extended to the next Business Day on which the Commission is open for business; provided, however, that if the Commission is closed for operations due to a government shutdown, such deadlines shall be extended by the same number of Business Days that the Commission remains closed for. The Registration Statement filed with the Commission pursuant to this Section 2.1 shall be on Form S-1 or any similar long-form registration statement that may be available at such time ("***Form S-1***") covering such Registrable Securities, and shall contain a Prospectus in such form as to permit the Holders to sell such Registrable Securities pursuant to Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) at any time beginning on the effective date for such Registration Statement. A Registration Statement filed pursuant to this Section 2.1 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. As soon as practicable following the effective date of a Registration Statement filed pursuant to this Section 2.1, but in any event within three (3) Business Days of such date, the Company shall notify the Holders named therein of the effectiveness of such Registration Statement. When effective, a Registration Statement filed pursuant to this Section 2.1 (including any documents incorporated therein by reference, if any) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any Prospectus contained in such Registration Statement, in the light of the circumstances under which such statement is made). The Company's obligations under this Section 2.1.1, shall, for the avoidance of doubt, be subject to Section 3.4.

2.1.2 Obligation to Keep Effective. The Company shall maintain the Form S-1 filed pursuant to Section 2.1.1 in accordance with the terms thereof, and shall prepare and file with the Commission such amendments, including post-effective amendments, and supplements as may be necessary to keep the Form S-1 continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein, and in compliance with the provisions of the Securities Act until such time as all such Registrable Securities included therein have ceased to be Registrable Securities.

2.1.3 Subsequent Registration Statement. If the Form S-1 ceases to be effective under the Securities Act for any reason at any time while Registrable Securities are still outstanding, the Company shall, subject to Section 3.4, use its commercially reasonable efforts to, as promptly as is reasonably practicable, cause such Form S-1 to again become effective under the Securities Act (including using its commercially reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness of such Form S-1), and shall use its commercially reasonable efforts to, as promptly as is reasonably practicable, amend such Form S-1 in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Form S-1 or file an additional Registration Statement (a "***Subsequent Registration Statement***") registering the resale of all Registrable Securities (determined as of two Business Days prior to such filing), and pursuant to any method or combination of methods legally available to, and requested by, any Holder named therein. If a Subsequent Registration Statement is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Registration Statement to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof (it being agreed that the Subsequent Registration Statement shall be an automatic shelf registration statement (as defined in Rule 405 promulgated under the Securities Act) if the Company is a well-known seasoned issuer (as defined in Rule 405 promulgated under the Securities Act) at the most recent applicable eligibility determination date) and (ii) keep such Subsequent Registration Statement continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as all such Registrable Securities included therein have ceased to be Registrable Securities. Any such Subsequent Registration Statement shall be on Form S-3 or any similar short-form registration statement that may be available at such time ("***Form S-3***") to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Registration Statement shall be on another appropriate form. The Company's obligation under this Section 2.1.3, shall, for the avoidance of doubt, be subject to Section 3.4.

2.1.4 Conversion to Form S-3. The Company shall use its commercially reasonable efforts to convert a Form S-1 into a Form S-3 as soon as practicable after the Closing after the Company is eligible to use Form S-3. The Company's obligations under this subsection 2.1.4, shall, for the avoidance of doubt, be subject to Section 3.4.

2.2 Demand Registration.

2.2.1 Request for Registration. Subject to the provisions of subsection 2.2.4 and Section 3.4, in the event that any Insider holds Registrable Securities that are not registered pursuant to Section 2.1, at any time and from time to time following the Closing, (a) the Sponsor, (b) Arrowroot Insiders holding a majority of the Registrable Securities then held by the Arrowroot Insiders, or (c) the iLearningEngines Insiders holding a majority of the Registrable Securities then held by the iLearningEngines Insiders (individually, a "***Demanding Holder***," collectively, the "***Demanding Holders***") may make a written demand for Registration of all or part of their Registrable Securities, 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 (such written demand a "***Demand Registration***"). The Company shall, within ten (10) days of the Company's receipt of the Demand Registration, notify, in writing, all other Holders of Registrable Securities of such demand, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder's Registrable Securities in a Registration pursuant to such Demand Registration (each such Holder that wishes to include all or a portion of such Holder's Registrable Securities in such Registration, a "***Requesting Holder***") shall so notify the Company, in writing, within five (5) Business Days after the receipt by such Requesting Holder of the Demand Registration notice from the Company. Upon receipt by the Company of any such written notification from a Requesting Holder(s) to the Company, such Requesting Holder(s) shall be entitled to have their Registrable Securities included in a Registration Statement pursuant to such Demand Registration and the Company shall effect, as soon thereafter as practicable, but in no event more than thirty (30) calendar days after the Company's receipt of the Demand Registration, the Registration of all Registrable Securities requested by the Demanding Holders and Requesting Holders pursuant to such Demand Registration. Under no circumstances shall the Company be obligated to effect more than (i) an aggregate of three (3) Registrations pursuant to a Demand Registration under this subsection 2.2.1 in the aggregate on behalf of the Sponsor and the Arrowroot Insiders and (ii) an aggregate of three (3) Registrations pursuant to a Demand Registration under this subsection 2.2.1 on behalf of the iLearningEngines Insiders, and the Company shall not be obligated to participate in more than an aggregate of four (4) Demand Registrations in any twelve-month period.

2.2.2 Effective Registration. Notwithstanding the provisions of subsection 2.2.1 above or any other part of this Agreement, a Registration pursuant to a Demand Registration shall not count as a Registration unless and until (i) the Registration Statement filed with the Commission with respect to a Registration pursuant to a Demand Registration has been declared effective by the Commission, in accordance with Section 3.1 of this Agreement and (ii) the Company has complied with all of its obligations under this Agreement with respect thereto; provided, however, that if, after such Registration Statement has been declared effective, an offering of Registrable Securities in a Registration pursuant to a Demand Registration is subsequently interfered with by any stop order or injunction of the Commission, federal or state court or any other governmental agency, the Registration Statement with respect to such Demand Registration shall be deemed not to have been declared effective, unless and until, (x) such stop order or injunction is removed, rescinded or otherwise terminated, and (y) within five (5) days of the removal or termination of such stop order a majority-in-interest of the Demanding Holders initiating such Demand Registration thereafter affirmatively elect to continue with such Demand Registration and accordingly notify the Company in writing of such election; and provided, further, that the Company shall not be obligated or required to file another Registration Statement until the Registration Statement that has been previously filed with respect to a Registration pursuant to a Demand Registration becomes effective or is subsequently terminated.

2.2.3 Underwritten Offering. Following the expiration of the Lockup Period and the Private Placement Lockup Period, as applicable, a majority in interest of the iLearningEngines Insiders, a majority in interest of the holders of Founder Shares or a majority in interest of the holders of Private Placement Warrants (or underlying securities), respectively, may, subject to the provisions of subsection 2.2.4 and Section 3.4 hereof, advise the Company as part of a Demand Registration that the offering of the Registrable Securities pursuant to such Demand Registration shall be in the form of an Underwritten Offering, including a Block Trade or Other Coordinated Offering, provided, that the Company shall only be obligated to effect an Underwritten Offering if the aggregate gross proceeds of the Registrable Securities proposed to be sold by the Demanding Holders in such Underwritten Offering, either individually or together with other Demanding Holders, is reasonably expected to exceed $10,000,000. The right of such Demanding Holders or Requesting Holder(s) (if any) to include their Registrable Securities in such Underwritten Offering shall be conditioned upon such Demanding Holders' or Requesting Holder(s)' (if any) participation in such Underwritten Offering. The Company and all such Demanding Holders or Requesting Holder(s) (if any) proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.2.3 shall enter into an underwriting agreement in customary form, which underwriting agreement shall be reasonably acceptable to the Company, with the Underwriter(s) selected for such Underwritten Offering by the majority-in-interest of the Demanding Holders initiating the Demand Registration with the written consent of the Company (such consent not to be unreasonably withheld, delayed or conditioned). Under no circumstances shall the Company be obligated to effect more than (i) an aggregate of three (3) Underwritten Offerings at the demand of the Sponsor and the Arrowroot Insiders and (ii) an aggregate of three (3) Underwritten Offerings at the demand of the iLearningEngines Insiders, which for the avoidance of doubt would count as a demand registration under Subsection 2.2.1; provided, that if an Underwritten Offering is commenced but terminated prior to the pricing thereof for any reason, such Underwritten Offering will not be counted as an Underwritten Offering pursuant to this Section 2.2.3.

2.2.4 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Offering pursuant to a Demand Registration, in good faith, advises the Company, the Demanding Holders and the Requesting Holder(s) (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holder(s) (if any) desire to sell, taken together with all other shares of Common Stock or other equity securities that the Company desires to sell and all other shares of Common Stock or other equity securities, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any person other than the Holder of Registrable Securities who desires to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in such 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 Offering and the aggregate number of Registrable Securities that the Demanding Holders and Requesting Holder(s) (if any) have requested be included in such Underwritten Offering (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 Common Stock or other equity securities that the Company desires to sell, which 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 Registrable Securities of Holders (Pro Rata, based on the respective number of Registrable Securities that each Holder has so requested) exercising their rights to register their Registrable Securities pursuant to subsection 2.3.1 hereof, without exceeding the Maximum Number of Securities; and (iv) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i), (ii), and (iii) the shares of Common Stock or other equity securities of persons other than Holders of Registrable Securities 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.

2.2.5 Demand Registration Withdrawal. A majority-in-interest of the Demanding Holders initiating a Demand Registration, pursuant to a Registration under subsection 2.2.1 shall have the right to withdraw from a Registration pursuant to such Demand Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Registration prior to 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 Demand Registration prior to its withdrawal under this subsection 2.2.5.

2.3 Piggyback Registration.

2.3.1 Piggyback Rights. If at any time after the Closing 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 stockholders of the Company (or by the Company and by the stockholders of the Company including, without limitation, pursuant to Sections 2.1 and 2.2 hereof) on a form that would permit registration of Registrable Securities, other than a Registration Statement (or any registered offering with respect thereto) (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing stockholders, (iii) for an offering of debt that is convertible into equity securities of the Company, (iv) for a dividend reinvestment plan, (v) a Block Trade, (vi) an Other Coordinated Offering, or (vii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), 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, or, in the case of an Underwritten Offering, the applicable "red herring" prospectus or prospectus supplement used for marketing such offering, 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 five (5) days after receipt of such written notice; provided, that, in the case of an "overnight" or "bought" offering, such requests must be made by the Holders within three (3) Business Days after delivery of any such notice by the Company (such Registration a "***Piggyback Registration***"); provided, further, that if the Company has been advised in writing by the managing Underwriter(s) that the inclusion of Registrable Securities for sale for the benefit of the Holders will have an adverse effect on the price, timing, or distribution of the Common Stock in an Underwritten Offering, then (1) if no Registrable Securities can be included in the Underwritten Offering in the opinion of the managing Underwriter(s), the Company shall not be required to offer such opportunity to such Holders or (2) if any Registrable Securities can be included in the Underwritten Offering in the opinion of the managing Underwriter(s), then the amount of Registrable Securities to be offered for the accounts of Holders shall be determined based on the provisions of Section 2.3.2. Subject to Section 2.3.2, the Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and, if applicable, shall use its commercially reasonable 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 2.3.1 to be included in such Piggyback 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 2.3.1 shall enter into an underwriting agreement in customary form, which form shall be reasonably acceptable to the Company, with the Underwriter(s) selected for such Underwritten Offering by the Company.

2.3.2 Reduction of Piggyback Registration. If the managing Underwriter or Underwriters in an Underwritten Offering that is to be a Piggyback Registration, in good faith, advises the Company and the Holders of Registrable Securities participating in such Piggyback Registration in writing that the dollar amount or number of the shares of Common Stock that the Company desires to sell, taken together with (i) the shares of Common Stock or other equity securities, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons other than the Holders of Registrable Securities hereunder (ii) the Registrable Securities as to which registration has been requested pursuant to subsection 2.3.1 hereof, and (iii) the shares of Common Stock or other equity securities, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of persons other than the Holders of Registrable Securities, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in such Registration (A) first, the shares of Common Stock 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 2.3.1 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 shares of Common Stock or other equity securities, if any, as to which Registration has been requested pursuant to written contractual piggy-back registration rights of persons other than Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities;

(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 shares of Common Stock or other equity securities, if any, of such requesting persons or entities, other than the Holders of Registrable Securities, 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 2.3.1, 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 shares of Common Stock 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 shares of Common Stock or other equity securities, if any, for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with persons other than Holders of Registrable Securities hereunder, which can be sold without exceeding the Maximum Number of Securities.

(c) If the Registration and Underwritten Offering is pursuant to a request be Holder(s) of Registrable Securities pursuant to Section 2.1 hereof, then the Company shall include in any such Registration securities in the priority set forth in subsection 2.2.4.

2.3.3 Piggyback Registration Withdrawal. Any Holder of Registrable Securities (other than a Demanding Holder, whose right to withdraw from an Underwritten Offering, and related obligations, shall be governed by subsection 2.2.5) shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of its intention to withdraw from such Piggyback Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration or, with respect to a Piggyback Registration pursuant to an Underwritten Offering, the filing of the applicable "red herring" prospectus or prospectus supplement with respect to such Piggyback Registration used for marketing such transaction. The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons or entities pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration at any time prior to the effectiveness of such Registration Statement. Notwithstanding anything to the contrary in this Agreement (other than subsection 2.2.5), the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this subsection 2.3.3.

2.3.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.3 hereof shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.2.1 hereof.

2.3.5 Market Stand-off. In connection with any Underwritten Offering of equity securities of the Company (other than a Block Trade or Other Coordinated Offering), if requested by the managing Underwriters, each Holder that is (a) an executive officer, (b) a director or (c) Holder in excess of five percent (5%) of the outstanding Common Stock (and for which it is customary for such a Holder to agree to a Lockup) agrees that it shall not Transfer any shares of Common Stock or other equity securities of the Company (other than those included in such offering pursuant to this Agreement), without the prior written consent of the Company, during the ninety (90)-day period (or such shorter time agreed to by the managing Underwriters) beginning on the date of pricing of such offering, except as expressly permitted by such Lockup agreement or in the event the managing Underwriters otherwise agree by written consent. Each such Holder agrees to execute a customary Lockup agreement in favor of the Underwriters to such effect (in each case on substantially the same terms and conditions as all such Holders).

2.4 Rule 415; Removal. If at any time the Commission takes the position that the offering of some or all of the Registrable Securities in a Registration Statement on Form S-3 is not eligible to be made on a delayed or continuous basis under the provisions of Rule 415 under the Securities Act (provided, however, that the Company shall be obligated to use its commercially reasonable efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the Commission Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09) or requires any Insider to be named as an "underwriter," the Company shall promptly notify each Holder of Registrable Securities thereof (or in the case of the Commission requiring an Insider to be named as an "underwriter," the Insider) and the Company will use commercially reasonable efforts to persuade the Commission that the offering contemplated by such Registration Statement is a valid secondary offering and not an offering "by or on behalf of the issuer" as defined in Rule 415 under the Securities Act. In the event that the Commission refuses to alter its position, the Company shall (a) remove from such Registration Statement such portion of the Registrable Securities (the "***Removed Shares***") and/or (b) agree to such restrictions and limitations on the registration and resale of such portion of the Registrable Securities as the Commission may require to assure the Company's compliance with the requirements of Rule 415 under the Securities Act; provided, however, that the Company shall not agree to name any Insider as an "underwriter" in such Registration Statement without the prior written consent of such Insider and, if the Commission requires such Insider to be named as an "underwriter" in such Registration Statement, notwithstanding any provision in this Agreement to the contrary, the Company shall not be under any obligation to include any Registrable Securities of such Insider in such Registration Statement. In the event of a share removal pursuant to this Section 2.4, the Company shall give the applicable Holders at least five (5) days prior written notice along with the calculations as to such Holder's allotment. Any removal of shares of any Holders pursuant to this Section 2.4 shall first be applied to Holders other than the Insiders with securities registered for resale under the applicable Registration Statement and thereafter allocated between the Insiders on a pro rata basis based on the aggregate amount of Registrable Securities held by the Insiders. In the event of a share removal of the Holders pursuant to this Section 2.4, the Company shall promptly register the resale of any Removed Shares and in no event shall the filing of such Registration Statement on Form S-1 or subsequent Registration Statement on Form S-3 filed be counted as a Demand Registration hereunder. Until such time as the Company has registered all of the Removed Shares for resale pursuant to Rule 415 under the Securities Act on an effective Registration Statement, the Company shall not be able to defer the filing of a Registration Statement pursuant to Section 3.4 hereof.

2.5 Block Trades; Other Coordinated Offerings. Notwithstanding any other provision of this Article II, but subject to Section 3.4, at any time and from time to time after the Closing when an effective shelf Registration Statement is on file with the Commission, if any Demanding Holders desire to effect a Block Trade or an Other Coordinated Offering, wherein each case the anticipated aggregate gross proceeds is reasonably expected to exceed $5,000,000, then notwithstanding any other time periods in this Article II, such Demanding Holders shall provide written notice to the Company at least five (5) Business Days prior to the date such Block Trade or Other Coordinated Offering will commence. The Company shall use its commercially reasonable efforts to facilitate such Block Trade or Other Coordinated Offering, provided that the Demanding Holders requesting such Block Trade or Other Coordinated Offering shall use their reasonable best efforts to work with the Company and the Underwriter(s), brokers, sales agents, or placement agents prior to making such request in order to facilitate preparation of the Registration Statement, Prospectus and other offering documentation related to the Block Trade or Other Coordinated Offering and any related due diligence and comfort procedures. In the event of a Block Trade or Other Coordinated Offering, and after consultation with the Company, the Demanding Holders and the Requesting Holder(s) (if any) shall determine the Maximum Number of Securities, the Underwriter or Underwriters (which shall consist of one or more reputable nationally recognized investment banks) and share price of such offering. Prior to the filing of the applicable "red herring" prospectus or prospectus supplement used in connection with a Block Trade or Other Coordinated Offering, a majority-in-interest of the Demanding Holders initiating such Block Trade or Other Coordinated Offering shall have the right to submit a notice of such Demanding Holders' intent to withdraw from such Block Trade or Other Coordinated Offering to the Company, the Underwriter(s) and any brokers, sales agents or placement agents (if any). Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Block Trade or Other Coordinated Offering prior to its withdrawal under this Section 2.5. Each of (i) the Sponsor and Arrowroot Insiders (taken together) and (ii) the iLearningEngines Insiders (taken together) may demand no more than an aggregate of two Block Trades and Other Coordinated Offerings pursuant to this Section 2.5 in any twelve (12) month period.

ARTICLE III
COMPANY PROCEDURES

3.1 General Procedures. If at any time the Company is required to effect the Registration of Registrable Securities, the Company shall use its commercially reasonable 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 as soon as practicable 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 pursuant to the terms of this Agreement until all Registrable Securities covered by such Registration Statement have been sold in accordance with the intended plan of distribution of such Registrable Securities or have ceased to be Registrable Securities;

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 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 or have ceased to be Registrable Securities;

3.1.3 prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriter(s), if any, and the Holders of Registrable Securities included in such Registration, and one such Holders' legal counsel selected by the majority-in-interest of such Holders, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement, the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriter(s) and the Holders 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; provided, that the Company shall have no obligation to furnish any documents publicly filed or furnished with the Commission pursuant to the Electronic Data Gathering Analysis and Retrieval System ("***EDGAR***");

3.1.4 prior to any public offering of Registrable Securities, use its commercially reasonable 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 the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may reasonably request (or provide evidence reasonably satisfactory to such Holders that the Registrable Securities are exempt from such registration or qualification) 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 o f the Company and do any and all other acts and things that may be 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 or as a dealer in securities 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 its commercially reasonable efforts to cause all such Registrable Securities to be listed on each national 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 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 such shorter period of time as may be (a) necessary in order to comply with the Securities Act, the Exchange Act, and the rules and regulations promulgated under the Securities Act or the Exchange Act, as applicable or (b) advisable in order to reduce the number of days that sales are suspended pursuant to Section 3.4), furnish a copy thereof to each seller of such Registrable Securities or its counsel (excluding any exhibits thereto and any filing made under the Exchange Act that is to be incorporated by reference therein);

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, a Block Trade, an Other Coordinated Offering, or sale by a broker, placement agent or sales agent pursuant to such Registration, in each of the following cases to the extent customary for a transaction of its type, permit a representative of the Holders (such representative to be selected by a majority of the participating Holders), the Underwriter(s), if any, and any attorney or accountant retained by such Holders or Underwriter(s) to participate, at each such person's own expense, in the preparation of the Registration Statement, and use its commercially reasonable efforts to cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with the Registration; provided, however, that such representatives or Underwriters enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information; and provided, further, the Company may not include the name of any Holder or Underwriter or any information regarding any Holder or Underwriter in any Registration Statement or Prospectus, any amendment or supplement to such Registration Statement or Prospectus, any document that is to be incorporated by reference into such Registration Statement or Prospectus, or any response to any comment letter, without the prior written consent of such Holder or Underwriter and providing each such Holder or Underwriter a reasonable amount of time to review and comment on such applicable document, which comments the Company shall include unless contrary to applicable law; except (i) as required by federal securities laws, rules or regulations and (ii) to the extent such disclosure is required by other laws, rules or regulations, at the request of the Commission or other regulatory agency or under the regulations of any national securities exchange on which securities of the Company are listed, in which case of clause (i) or (ii) the Company shall provide such Holder or Underwriter with prior written notice of such disclosure and shall use its commercially reasonable efforts to consult with such Holder or Underwriter prior to making such disclosure; provided that such Holder or Underwriter shall promptly provide any information requested by the Company for any regulatory application or filing made or approval sought in connection with the Registration;

3.1.11 obtain a "cold comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Offering, in customary form and covering such matters of the type customarily covered by "cold comfort" letters for a transaction of its type as the managing Underwriter(s) may reasonably request, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.12 in the event of an Underwritten Offering, a Block Trade, an Other Coordinated Offering or sale by a broker, placement agent or sales agent pursuant to such Registration, on the date the Registrable Securities are delivered for sale pursuant to such Registration, to the extent customary for a transaction of its type, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the participating Holder(s), the placement agent(s) or sales agent(s), if any, and the Underwriter(s), if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the participating Holder(s), the placement agent(s) or sales agent(s), if any, and the Underwriter(s), if any, may reasonably request and as are customarily included in such opinions and negative assurance letters;

3.1.13 in the event of any Underwritten Offering, a Block Trade, an Other Coordinated Offering or sale by a broker, placement agent or sales agent pursuant to such Registration, enter into and perform its obligations under an underwriting or other purchase or sales agreement, on terms agreed to by the Company, with the managing Underwriter(s) or the broker, placement agent or sales agent of such offering or sale;

3.1.14 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 (or any successor rule then in effect), and which requirement will be deemed satisfied if the Company timely files Forms 10-Q, 10-K, and 8-K as may be required to be filed under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

3.1.15 with respect to an Underwritten Offering pursuant to Section 2.2.3 use its commercially 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(s) in such Underwritten Offering; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the participating Holders, consistent with the terms of this Agreement, in connection with such Registration.

Notwithstanding the foregoing, the Company shall not be required to provide any documents or information to an Underwriter or broker, sales agent, or placement agent if such Underwriter, broker, sales agent, or placement agent has not then been named with respect to the applicable Underwritten Offering or other offering involving a registration as an Underwriter or broker, sales agent, or placement agent, as applicable.

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, other than as set forth in the definition of "***Registration Expenses***," all reasonable fees and expenses of any legal counsel representing the Holders.

3.3 Requirements for Participation in Underwritten Offerings. Notwithstanding anything in this Agreement to the contrary, if any Holder does not provide the Company with the information requested by the Company, after written notice to such Holder the Company may exclude such Holder's Registrable Securities from the applicable Registration Statement or Prospectus if the Company determines, based on the advice of counsel, that it is necessary or advisable to include such information in the applicable Registration Statement or Prospectus to comply with relevant disclosure requirements under the federal securities laws, rules and regulations and such Holder continues thereafter to withhold such information. In addition, no person may participate in any Underwritten Offering or other offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (a) agrees to sell such person's securities on the basis provided in any underwriting arrangements, as approved by the Company and (b) completes and executes all customary questionnaires, powers of attorney, indemnities, Lockup agreements, underwriting agreement or other agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements. For the avoidance of doubt, the exclusion of a Holder's Registrable Securities as a result of this Section 3.3 shall not affect the registration of the other Registrable Securities to be included in such Registration.

3.4 Suspension of Sales; Adverse Disclosure; Deferrals.

3.4.1 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 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 practicable after the time of such notice), or until it is advised in writing by the Company that the use of the Prospectus may be resumed. Subject to subsection 3.4.4, if the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration (including in connection with an Underwritten Offering) at any time (i) would require the Company to make an Adverse Disclosure, (ii) would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, (iii) in the good faith judgment of the majority of the Board, would be seriously detrimental to the Company and the majority of the Board concludes, as a result, that it is essential to defer such filing, initial effectiveness or continued use at such time, or (iv) if the majority of the Board, in its good faith judgment, determines to delay the filing or initial effectiveness of, or suspend use of, a Registration Statement and such delay or suspension arises out of, or is a result of, or is related to or is in connection with Commission Guidance or related accounting, disclosure or other matters, then the Company shall have the right, upon giving prompt written notice of such action to the Holders, to delay the filing or initial effectiveness of, or suspend use of, such Registration Statement (including in connection with an Underwritten Offering) for the shortest period of time, but in no event more than forty five (45) days, determined in good faith by the Company to be necessary for such purpose. 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 until such Holders receive written notice from the Company that such sales or offers of Registrable Securities may be resumed, and in each case maintain the confidentiality of such notice and its contents.

3.4.2 Subject to subsection 3.4.4, (a) during the period starting with the date thirty (30) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date ninety (90) days after the effective date of, a Company-initiated Registration Statement and provided that the Company continues to employ its commercially reasonable best efforts to maintain the effectiveness of the applicable Registration Statement, or (b) if, pursuant to Section 2.2.3, any Holders have requested an Underwritten Offering, and the Company and Holders are unable to obtain the commitment of underwriters to firmly underwrite such Underwritten Offering, the Company may, upon giving written notice of such action to the Holders, delay any other registered offering pursuant to subsection 2.2.3 or Section 2.5.

3.4.3 The Company shall have the right to defer any Demand Registration for up to thirty (30) consecutive days and any Piggyback Registration for such period as may be applicable to deferment of the Registration Statement to which the Piggyback Registration relates, in each case if the Company furnishes to the Holders a certificate signed by the Chief Executive Officer or principal financial officer stating that in the good faith judgment of the Board it would be materially detrimental to the Company for such Registration Statement to be filed at such time.

3.4.4 The right to delay or suspend any filing, initial effectiveness or continued use of a Registration Statement pursuant to subsection 3.4.2 or a registered offering pursuant to Section 3.4.3 shall be exercised by the Company, in the aggregate, on not more than three (3) occasions for not more than forty-five (45) consecutive calendar days on each occasion, or not more than one hundred twenty (120) total calendar days, each in any 12-month period.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants 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 furnish the Holders with true and complete copies of all such filings (the delivery of which will be satisfied and which shall be deemed to have been furnished or delivered by the Company's filing of such reports on EDGAR). 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 shares of Common Stock 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 (or any successor rule then in effect). 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.

3.6 Restrictive Legend Removal. In connection with a registration pursuant to Sections 2.1, 2.2 or 2.3, upon the request of a Holder, the Company shall (i) authorize the Company's transfer agent to remove any legend on share certificates of such Holder's Registrable Securities restricting further transfer (or any similar restriction in book entry positions of such Holder), and cause the Company's counsel to issue an opinion to the Company's transfer agent in connection therewith, if such restrictions are no longer required by the Securities Act or any applicable state securities laws or any agreement with the Company to which such Holder is a party, including if such shares subject to such a restriction have been sold pursuant to a Registration Statement, (ii) request the Company's transfer agent to issue in lieu thereof securities without such restrictions to the Holder upon, as applicable, surrender of any certificates or to update the applicable book entry position of such Holder so that it no longer is subject to such a restriction, and (iii) use commercially reasonable efforts to cooperate with such Holder to have such Holder's Registrable Securities transferred into a book entry position at The Depository Trust Company, in each case, subject to delivery of customer documentation, including any documentation required by such restrictive legend or book entry notation.

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 reasonable and documented out-of-pocket expenses (including reasonable and documented outside 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 (in light of the circumstances in which they were made), 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.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish (or cause to be furnished) 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 or entity who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including, without limitation, reasonable and documented outside attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained, or incorporated by reference in accordance with the requirements of Form S-1 or Form S-3, 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 (in light of the circumstances in which they were made), but only to the extent that such untrue statement is contained in (or not contained in, in the case of an omission) any information or affidavit so furnished in writing by or on behalf of 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 Underwriter(s), its or their officers, directors and each person who controls such Underwriter(s) (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); provided, that (x) if the indemnifying party fails to take reasonable steps to defend diligently the action or proceeding within twenty (20) days after receiving notice from the indemnified party, (y) if such indemnified party who is a defendant in any action or proceeding that is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal defenses available to such indemnified party that are not available to the indemnifying party, or (x) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then the indemnified party shall have the right to assume or continue its own defense and the indemnifying party shall be liable for any expenses therefor. 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 includes a statement or admission of fault and culpability on the part of such indemnified party 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 agree 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 documented out-of-pocket 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 documented out-of-pocket 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 not made by, in the case of an omission), or relates to information supplied by (or not supplied by, in the case of an omission), 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 documented out-of-pocket 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. Any notice or communication under this Agreement must be in writing and given by (i) deposit in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (ii) delivery in person or by courier service providing evidence of delivery, or (iii) transmission by hand delivery, electronic mail, telecopy, telegram or facsimile. Each notice or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received, in the case of mailed notices or communications, on the third Business Day following the date on which it is mailed and, in the case of notices or communications delivered by courier service, hand delivery, electronic mail, telecopy, telegram or facsimile, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the addressee upon presentation. Any notice or communication under this Agreement must be addressed, if to the Company, to: iLearningEngines, Inc., 6701 Democracy Blvd., Suite 300, Bethesda, MD 20817, Attention: Harish Chidambaran, Email: [***], and, if to any Holder, at such Holder's address or contact information as set forth in the Company's books and records. Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto, and such change of address shall become effective thirty (30) days after delivery of such notice 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.

5.2.2 Following the expiration of the Lockup Period or the Private Placement Lockup Period, as applicable, the rights granted to a Holder by the Company hereunder may be transferred or assigned (but only with all related obligations) by a Holder only to a Permitted Transferee of such Holder; provided, that (x) such transfer or assignment of Registrable Securities is effected in accordance with applicable securities laws (subject to reasonable verification by the Company), (y) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred and (z) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement.

5.2.3 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees.

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 in substantially the form set forth in Exhibit A 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; Waiver of Jury Trial. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT (I) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK AND (II) THE VENUE FOR ANY ACTION TAKEN WITH RESPECT TO THIS AGREEMENT SHALL BE ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY IN THE STATE OF NEW YORK. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

5.5 Specific Performance. Each party hereto recognizes and affirms that in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached, money damages would be inadequate (and therefore the non-breaching party would have no adequate remedy at law) and the non-breaching party would be irreparably damaged. Accordingly, each party hereto agrees that each other party hereof shall be entitled to specific performance, an injunction or other equitable relief (without posting of bond or other security or needing to prove irreparable harm) to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any proceeding, in addition to any other remedy to which such person may be entitled.

5.6 Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

5.7 Interpretation. The headings and captions used in this Agreement have been inserted for convenience of reference only and do not modify, define or limit any of the terms or provisions hereof.

5.8 Entire Agreement. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, relating to such subject matter in any way.

5.9 Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority in interest of the total Registrable Securities at the time in question, 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.

5.10 Other Registration Rights. Other than (i) the Holders who have registration rights with respect to Common Stock pursuant to the Forward Purchase Agreement, dated as of April 26, 2023, between the Company and the other parties thereto and (ii) as provided in the Warrant Agreement, dated as of February 18, 2021, between the Company and Continental Stock Transfer & Trust Company, 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 Statement filed by the Company for the sale of securities for its own account or for the account of any other person. Further, the Company represents and warrants that this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail.

5.11 Term. This Agreement shall terminate upon the earliest of (i) the tenth anniversary of the date of this Agreement or (ii) the date as of which all of the Registrable Securities have been sold pursuant to a Registration Statement (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder (or any successor rule promulgated thereafter by the Commission)); provided, that with respect to any Holder, this Agreement shall terminate on the date such Holder no longer holds any Registrable Securities. The provisions of Section 3.5 and Article IV shall survive any termination.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first written above.

ILEARNINGENGINES:

ILEARNINGENGINES, INC.

By: /s/ P.K. Chidambaran
Name: P.K. Chidambaran
Title: Chief Executive Officer

[Signature Page to A&R Registration Rights Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first written above.

COMPANY:

ARROWROOT ACQUISITION CORP.,
a Delaware corporation

By: /s/ Matthew Safaii
Name: Matthew Safaii
Title: Chief Executive Officer

SPONSOR:

ARROWROOT ACQUISITION, LLC,
a Delaware limited liability company

By: /s/ Matthew Safaii
Name: Matthew Safaii
Title: Principal

[Signature Page to A&R Registration Rights Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first written above.

ARROWROOT INSIDERS:

/s/ Matthew Safaii
Matthew Safaii
Address: [***]

/s/ Thomas Olivier
Thomas Olivier
Address: [***]

/s/ Gaurav Dhillon
Gaurav Dhillon
Address: [***]

/s/ Dixon Doll
Dixon Doll
Address: [***]

/s/ Will Semple
Will Semple
Address: [***]

[Signature Page to A&R Registration Rights Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first written above.

ILEARNINGENGINES INSIDERS:

/s/ P.K. Chidambaran
P.K. Chidambaran

/s/ Preeta Chidambaran
Preeta Chidambaran

[Signature Page to A&R Registration Rights Agreement]

EXHIBIT A

JOINDER

JOINDER

The undersigned is executing and delivering this joinder ("***Joinder***") pursuant to the Amended and Restated Registration Rights Agreement, dated as of April 16, 2024 (as the same may hereafter be amended, the "***Agreement***"), by and among Arrowroot Acquisition Corp., a Delaware corporation (now known as iLearningEngines, Inc., the "***Company***") and the other persons named as parties therein.

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 Agreement as a Holder in the same manner as if the undersigned were an original signatory to the Agreement, and the undersigned's [NUMBER OF SECURITIES] of [TYPE OF SECURITIES] shall be included as Registrable Securities under the Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the [●] day of [●], [●].

[●]

Signature of Stockholder
[Print Name of Stockholder]

Address:

Agreed and Accepted as of:

[●]

By:
Its:

iLearningEngines, Inc.

2024 Equity Incentive Plan

Adopted by the Board of Directors: April 12, 2024
Approved by the Stockholders: April 1, 2024

1. General.

(a) Plan Purpose. The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(b) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(c) Adoption Date; Effective Date. The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Date.

2. Shares Subject to the Plan.

(a) Share Reserve. Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed 13,441,323 shares of Common Stock (equal to ten percent (10%) of the total number of issued and outstanding shares of Common Stock immediately after the consummation of the transactions contemplated by the Merger Agreement). In addition, subject to any adjustments as necessary to implement any Capitalization Adjustments, such aggregate number of shares of Common Stock will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2025 and ending on (and including) December 31, 2034, in an amount equal to five percent (5%) of the total number of shares of the Company's capital stock outstanding on December 31 of the preceding year; provided, however that the Board may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock.

(b) Aggregate Incentive Stock Option Limit. Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 40,323,969 shares (equal to three hundred percent (300%) of the total number of shares of Common Stock initially reserved for issuance under Section 2(a)).

(c) Share Reserve Operation.

(i) Limit Applies to Common Stock Issued Pursuant to Awards. For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(ii) Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve. The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued; (2) the settlement of any portion of an Award in cash (*i.e.*, the Participant receives cash rather than Common Stock); (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise, strike or purchase price of an Award; or (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Award.

(iii) Reversion of Previously Issued Shares of Common Stock to Share Reserve. The following shares of Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise, strike or purchase price of an Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award.

3. Eligibility and Limitations.

(a) Eligible Award Recipients. Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) Specific Award Limitations.

(i) Limitations on Incentive Stock Option Recipients. Incentive Stock Options may be granted only to Employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders. A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) Limitations on Nonstatutory Stock Options and SARs. Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(c) Aggregate Incentive Stock Option Limit. The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(b).

(d) Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed (i) $500,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such annual period, $750,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes. The limitations in this Section 3(d) shall apply commencing with the first calendar year that begins following the Effective Date.

4. Options and Stock Appreciation Rights.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) Term. Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) Exercise or Strike Price. Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and *provided, further*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

(i) Restrictions on Transfer. An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause. Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, (generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

5. Awards Other Than Options and Stock Appreciation Rights.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) Restricted Stock Awards: To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSU Awards: A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Award, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) RSA: A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration (including future services) as the Board may determine and permissible under Applicable Law.

(2) RSU: Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and the Participant will have no further right, title or interest in the Restricted Stock Award, the shares of Common Stock subject to the Restricted Stock Award, or any consideration in respect of the Restricted Stock Award, and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement.

(vi) Settlement of RSU Awards. A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

(c) Other Awards. Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

6. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan, including the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2(a); (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(a); and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award.

(i) Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "***Current Participants***"), the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement or unless otherwise provided by the Board, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction in which the Awards are not assumed in accordance with Section 6(c)(i). With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction or such later date as required to comply with Section 409A of the Code.

(iii) Awards Held by Persons other than Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

(d) Appointment of Stockholder Representative. As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(e) No Restriction on Right to Undertake Transactions. The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action, (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution therefor of (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

8. Tax Withholding

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; or (vi) by such other method as may be set forth in the Award Agreement.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its Affiliate's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. MISCELLANEOUS.

(a) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(c) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(d) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(e) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(f) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(g) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(h) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at *www.sec.gov* (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(i) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(j) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(k) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of a Restricted Stock Award and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(l) Effect on Other Employee Benefit Plans. The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(m) Deferrals. To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

(n) Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(o) Choice of Law. This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

10. Covenants of the Company.

(a) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

11. Additional Rules for Awards Subject to Section 409A.

(a) Application. Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements. To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

(i) If the Non-Exempt Award vests in the ordinary course during the Participant's Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date, or (ii) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Employees and Consultants. The provisions of this subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Corporate Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

(i) Vested Non-Exempt Awards. The following provisions shall apply to any Vested Non-Exempt Award in connection with a Corporate Transaction:

(1) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.

(2) If the Corporate Transaction is not a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Corporate Transaction.

(ii) Unvested Non-Exempt Awards. The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to subsection (e) of this Section.

(1) In the event of a Corporate Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Corporate Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Corporate Transaction, then such Award shall automatically terminate and be forfeited upon the Corporate Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Corporate Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that would otherwise be issued to the Participant, as further provided in subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Corporate Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Corporate Transaction, and regardless of whether or not such Corporate Transaction is also a Section 409A Change in Control.

(d) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Non-Employee Directors. The following provisions of this subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Corporate Transaction.

(i) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

(ii) If the Corporate Transaction is not a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Corporate Transaction.

(e) If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(iii) To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service" such Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant's Separation From Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iv) The provisions in this subsection (e) for delivery of the shares in respect of the settlement of a RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant in respect of such Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

12. Severability.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. Termination of the Plan.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

14. Definitions.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) "*Acquiring Entity*" means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.

(b) "*Adoption Date*" means the date the Plan is first approved by the Board or Compensation Committee.

(c) "*Affiliate*" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(d) "*Applicable Law*" means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(e) "*Award*" means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).

(f) "*Award Agreement*" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(g) "*Board*" means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(h) "*Capitalization Adjustment*" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(i) "*Cause*" has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (ii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iii) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (iv) such Participant's gross or willful misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company's Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(j) "*Change in Control*" or "***Change of Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, also constitutes a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "*Subject Person*") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply, and (C) respect to any nonqualified deferred compensation that becomes payable on account of the Change in Control, the transaction or event described in clauses (i), (ii), (iii), (iv) or (v) also constitutes a Section 409A Change in Control if required in order for the payment not to violate Section 409A of the Code.

(k) "*Code*" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l) "*Committee*" means the Compensation Committee and any other committee of Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(m) "*Common Stock*" means the common stock of the Company.

(n) "*Company*" means ILearningEngines, Inc., a Delaware corporation.

(o) "*Compensation Committee*" means the Compensation Committee of the Board.

(p) "*Consultant*" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(q) "*Continuous Service*" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(r) "*Corporate Transaction*" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Corporate Transaction shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, (B) the definition of Corporate Transaction (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Corporate Transaction or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply, and (C) respect to any nonqualified deferred compensation that becomes payable on account of the Corporate Transaction, the transaction or event described in clauses (i), (ii), (iii), or (iv) also constitutes a Section 409A Change in Control if required in order for the payment not to violate Section 409A of the Code.

(s) "*Director*" means a member of the Board.

(t) "*determine*" *or* "*determined*" means as determined by the Board or the Committee (or its designee) in its sole discretion.

(u) "*Disability*" means, with respect to a Participant, such Participant is unable 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 which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(v) "*Effective Date*" means April 12, 2024.

(w) "*Employee*" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(x) "*Employer*" means the Company or the Affiliate of the Company that employs the Participant.

(y) "*Entity*" means a corporation, partnership, limited liability company or other entity.

(z) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(aa) "*Exchange Act Person*" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(bb) "*Fair Market Value*" means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(cc) "*Governmental Body*" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for them avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(dd) "*Grant Notice*" means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(ee) "*Incentive Stock Option*" means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(ff) "*Materially Impair*" or "*Materially Impaired*" means any amendment to the terms of the Award that materially adversely affects the Participant's rights under the Award. A Participant's rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant's rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised; (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

(gg) "***Merger Agreement***" means that certain Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023, as it may be amended, by and among, Arrowroot Acquisition Corp., a Delaware corporation ("***Acquiror***"), ARAC Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Acquiror and the Company.

(hh) "*Non-Employee Director*" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(ii) "*Non-Exempt Award*" means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company, (ii) the terms of any Non-Exempt Severance Arrangement.

(jj) "*Non-Exempt Director Award*" means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(kk) "*Non-Exempt Severance Arrangement*" means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant's termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) ("***Separation from Service***")) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(ll) "*Nonstatutory Stock Option*" means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(mm) "*Officer*" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(nn) "*Option*" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(oo) "*Option Agreement*" means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(pp) "*Optionholder*" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(qq) "*Other Award*" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 5(c).

(rr) "*Other Award Agreement*" means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(ss) "*Own,*" *"Owned,*" *"Owner,*" *"Ownership*" means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(tt) "*Participant*" means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(uu) "*Performance Award*" means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

(vv) "*Performance Criteria*" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any measure of performance selected by the Board.

(ww) "*Performance Goals*" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of Common Stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to expense under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board may establish or provide for other adjustment items in the Award Agreement at the time the Award is granted or in such other document setting forth the Performance Goals at the time the Performance Goals are established. The Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Award.

(xx) "*Performance Period*" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(yy) "*Plan*" means this ILearningEngines, Inc. 2024 Equity Incentive Plan, as amended from time to time.

(zz) "*Plan Administrator*" means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company's other equity incentive programs.

(aaa) "*Post-Termination Exercise Period*" means the period following termination of a Participant's Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(bbb) "*Prospectus*" means the document containing the Plan information specified in Section 10(a) of the Securities Act.

(ccc) "*Restricted Stock Award*" or "***RSA***" means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(ddd) "*Restricted Stock Award Agreement*" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(eee) "*RSU Award*" or "***RSU***" means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(fff) "*RSU Award Agreement*" means a written agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award grant. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(ggg) "*Rule 16b-3*" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(hhh) "*Rule 405*" means Rule 405 promulgated under the Securities Act.

(iii) "*Section 409A*" means Section 409A of the Code and the regulations and other guidance thereunder.

(jjj) "*Section 409A Change in Control*" means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(kkk) "*Securities Act*" means the Securities Act of 1933, as amended.

(lll) "*Share Reserve*" means the number of shares available for issuance under the Plan as set forth in Section 2(a).

(mmm) "*Stock Appreciation Right*" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

(nnn) "*SAR Agreement*" means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(ooo) "*Subsidiary*" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(ppp) "*Ten Percent Stockholder*" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(qqq) "*Trading Policy*" means the Company's policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(rrr) "*Unvested Non-Exempt Award*" means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Corporate Transaction.

(sss) "*Vested Non-Exempt Award*" means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Corporate Transaction.

iLearningEngines, Inc.
Stock Option Grant Notice
(2024 Equity Incentive Plan)

iLearningEngines, Inc. (the "***Company***"), pursuant to the Company's 2024 Equity Incentive Plan (the "***Plan***"), has granted to you ("***Optionholder")*** an option to purchase the number of shares of the Common Stock set forth below (the "***Option***"). Your Option is subject to all of the terms and conditions as set forth herein and in the Plan, and the Stock Option Agreement and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Stock Option Agreement shall have the meanings set forth in the Plan or the Stock Option Agreement, as applicable.

Optionholder:	
Date of Grant:	
Vesting Commencement Date:	
Number of Shares of Common Stock Subject to Option:	
Exercise Price (Per Share):	
Total Exercise Price:	
Expiration Date:	

Type of Grant: [Incentive Stock Option] OR [Nonstatutory Stock Option]

Exercise and Vesting Schedule: Subject to the Optionholder's Continuous Service through each applicable vesting date, the Option will vest as follows:

[_____]

Optionholder Acknowledgements: By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Stock Option Agreement and the Notice of Exercise, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Stock Option Agreement (together, the "***Option Agreement***") may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.

- If the Option is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options granted to you) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

- You consent to receive this Grant Notice, the Stock Option Agreement, the Plan, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

- You have read and are familiar with the provisions of the Plan, the Stock Option Agreement, the Notice of Exercise and the Prospectus. In the event of any conflict between the provisions in this Grant Notice, the Option Agreement, the Notice of Exercise, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.

- The Option Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to you and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this Option.

- Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

iLearningEngines, Inc.	**Optionholder:**
By: _____	_____
Signature	Signature
Title: _____	Date: _____
Date: _____	

Attachments: Stock Option Agreement, 2024 Equity Incentive Plan, Notice of Exercise

ATTACHMENT I

ILEARNINGENGINES, INC.
STOCK OPTION AGREEMENT
(2024 EQUITY INCENTIVE PLAN)

As reflected by your Stock Option Grant Notice ("***Grant Notice***"), iLearningEngines, Inc. (the "***Company***") has granted you an option under the Company's 2024 Equity Incentive Plan (the "***Plan***") to purchase a number of shares of Common Stock at the exercise price indicated in your Grant Notice (the "***Option***"). Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the meanings set forth in the Grant Notice or Plan, as applicable. The terms of your Option as specified in the Grant Notice and this Stock Option Agreement constitute your Option Agreement.

The general terms and conditions applicable to your Option are as follows:

1. GOVERNING PLAN DOCUMENT. Your Option is subject to all the provisions of the Plan, including but not limited to the provisions in:

(a) Section 6 regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your Option;

(b) Section 9(e) regarding the Company's retained rights to terminate your Continuous Service notwithstanding the grant of the Option; and

(c) Section 8(c) regarding the tax consequences of your Option.

Your Option is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the Option Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. EXERCISE.

(a) You may generally exercise the vested portion of your Option for whole shares of Common Stock at any time during its term by delivery of payment of the exercise price and applicable withholding taxes and other required documentation to the Plan Administrator in accordance with the exercise procedures established by the Plan Administrator, which may include an electronic submission. Please review Sections 4(i), 4(j) and 7(b)(v) of the Plan, which may restrict or prohibit your ability to exercise your Option during certain periods.

(b) To the extent permitted by Applicable Law, you may pay your Option exercise price as follows:

(i) cash, check, bank draft or money order;

(ii) subject to Company and/or Committee consent at the time of exercise, pursuant to a "cashless exercise" program as further described in Section 4(c)(ii) of the Plan if at the time of exercise the Common Stock is publicly traded;

(iii) subject to Company and/or Committee consent at the time of exercise, by delivery of previously owned shares of Common Stock as further described in Section 4(c)(iii) of the Plan; or

(iv) subject to Company and/or Committee consent at the time of exercise, if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement as further described in Section 4(c)(iv) of the Plan.

(c) By accepting your Option, you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation(the "***Lock-Up Period***"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 2(c). The underwriters of the Company's stock are intended third party beneficiaries of this Section 2(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

3. Term. You may not exercise your Option before the commencement of its term or after its term expires. The term of your Option commences on the Date of Grant and expires upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three months after the termination of your Continuous Service for any reason other than Cause, Disability or death;

(c) 12 months after the termination of your Continuous Service due to your Disability;

(d) 18 months after your death if you die during your Continuous Service;

(e) immediately upon a Corporate Transaction if the Board has determined that the Option will terminate in connection with a Corporate Transaction,

(f) the Expiration Date indicated in your Grant Notice; or

(g) the day before the 10th anniversary of the Date of Grant.

Notwithstanding the foregoing, if you die during the period provided in Section 3(b) or 3(c) above, the term of your Option shall not expire until the earlier of (i) 18 months after your death, (ii) upon any termination of the Option in connection with a Corporate Transaction, (iii) the Expiration Date indicated in your Grant Notice, or (iv) the day before the tenth anniversary of the Date of Grant. Additionally, the Post-Termination Exercise Period of your Option may be extended as provided in Section 4(i) of the Plan.

To obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your Option and ending on the day three months before the date of your Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. If the Company provides for the extended exercisability of your Option under certain circumstances for your benefit, your Option will not necessarily be treated as an Incentive Stock Option if you exercise your Option more than three months after the date your employment terminates.

4. Withholding Obligations. As further provided in Section 8 of the Plan: (a) you may not exercise your Option unless the applicable tax withholding obligations are satisfied, and (b) at the time you exercise your Option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the exercise of your Option in accordance with the withholding procedures established by the Company. Accordingly, you may not be able to exercise your Option even though the Option is vested, and the Company shall have no obligation to issue shares of Common Stock subject to your Option, unless and until such obligations are satisfied. In the event that the amount of the Company's withholding obligation in connection with your Option was greater than the amount actually withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

5. Incentive Stock Option Disposition Requirement. If your Option is an Incentive Stock Option, you must notify the Company in writing within 15 days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your Option that occurs within two years after the date of your Option grant or within one year after such shares of Common Stock are transferred upon exercise of your Option.

6. Transferability. Except as otherwise provided in Section 4(e) of the Plan, your Option is not transferable, except by will or by the applicable laws of descent and distribution, and is exercisable during your life only by you.

7. Corporate Transaction. Your Option is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

8. No Liability for Taxes. As a condition to accepting the Option, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the Option and have either done so or knowingly and voluntarily declined to do so. Additionally, you acknowledge that the Option is exempt from Section 409A only if the exercise price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Option. Additionally, as a condition to accepting the Option, you agree not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

9. Severability. If any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

10. Other Documents. You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

11. Questions. If you have questions regarding these or any other terms and conditions applicable to your Option, including a summary of the applicable federal income tax consequences please see the Prospectus.

* * * *

ATTACHMENT III
iLEARNINGENGINES, INC.
NOTICE OF EXERCISE
(2024 EQUITY INCENTIVE PLAN)

iLEARNINGENGINES, INC.
[ ]
[ ]

Date of Exercise: _____

This constitutes notice to iLearningEngines, Inc. (the "***Company***") that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") by exercising my Option for the price set forth below. Capitalized terms not explicitly defined in this Notice of Exercise but defined in the Stock Option Grant Notice, Stock Option Agreement or 2024 Equity Incentive Plan (the "***Plan***") shall have the meanings set forth in the Stock Option Grant Notice, Stock Option Agreement or Plan, as applicable. Use of certain payment methods is subject to Company and/or Committee consent and certain additional requirements set forth in the Stock Option Agreement and the Plan.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Date of Grant:	_____	
Number of Shares as to which Option is exercised:	_____	
Certificates to be issued in name of:	_____	
Total exercise price:	$_____	
Cash, check, bank draft or money order delivered herewith:	$_____	
Value of _____ Shares delivered herewith:	$_____	
Regulation T Program (cashless exercise)	$_____	
Value of _____ Shares pursuant to net exercise:	$_____	

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Plan, (ii) to satisfy the tax withholding obligations, if any, relating to the exercise of this Option as set forth in the Stock Option Agreement, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within 15 days after the date of any disposition of any of the Shares issued upon exercise of this Option that occurs within two years after the Date of Grant or within one year after such Shares are issued upon exercise of this Option.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company shall request to facilitate compliance with FINRA Rule 2241 or any successor or similar rule or regulation) (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

Exhibit 10.13

iLearningEngines, Inc.
RSU Award Grant Notice
(2024 Equity Incentive Plan)

iLearningEngines, Inc. (the "***Company***") has awarded to you (the "***Participant***") the number of restricted stock units specified and on the terms set forth below in consideration of your services (the "***RSU Award***" and each an "***RSU***"). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company's 2024 Equity Incentive Plan (the "***Plan***") and the Award Agreement (the "***Agreement***"), which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant:	
Date of Grant:	
Vesting Commencement Date:	
Number of Restricted Stock Units:	

Vesting Schedule: The RSU Award will vest based on Participant's Continuous Service in installments as follows [_____].

Issuance Schedule: One share of Common Stock will be issued for each restricted stock unit which vests at the time set forth in Section 6 of the Agreement.

Participant Acknowledgements: By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the "***Grant Notice***"), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Agreement (together, the "***RSU Award Agreement***") may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.

- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.

- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this RSU Award, and (iii) any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law.

iLearningEngines, Inc.

By: _____
Signature

Title: _____
Date: _____

Optionholder:

_____
Signature

Date: _____

Attachments: RSU Award Agreement, 2024 Equity Incentive Plan

ILEARNINGENGINES, INC.
2024 EQUITY INCENTIVE PLAN
AWARD AGREEMENT (RSU AWARD)

As reflected by your Restricted Stock Unit Grant Notice ("***Grant Notice***"), iLearningEngines, Inc. (the "***Company***") has granted you a RSU Award under the Company's 2024 Equity Incentive Plan (the "***Plan***") for the number of restricted stock units as indicated in your Grant Notice (the "***RSU Award***"). The terms of your RSU Award as specified in this Award Agreement for your RSU Award (the "***Agreement***") and the Grant Notice constitute your "***RSU Award Agreement***." Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

1. GOVERNING PLAN DOCUMENT. Your RSU Award is subject to all the provisions of the Plan, including but not limited to the provisions in:

(a) Section 6 of the Plan regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your RSU Award;

(b) Section 9(e) of the Plan regarding the Company's retained rights to terminate your Continuous Service notwithstanding the grant of the RSU Award; and

(c) Section 8(c) of the Plan regarding the tax consequences of your RSU Award.

Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. GRANT OF THE RSU AWARD. This RSU Award represents your right to be issued on a future date the number of shares of the Company's Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice as modified to reflect any Capitalization Adjustment and subject to your satisfaction of the vesting conditions set forth therein (the "***Restricted Stock Units***"). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 3 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

3. VESTING. Your RSU Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, subject to the provisions contained herein and the terms of the Plan. Vesting will cease upon the termination of your Continuous Service.

4. DIVIDENDS. You shall receive no benefit or adjustment to your RSU Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment as provided in the Plan; provided, however, that this sentence shall not apply with respect to any shares of Common Stock that are delivered to you in connection with your RSU Award after such shares have been delivered to you.

5. Withholding Obligations. As further provided in Section 8 of the Plan, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with your RSU Award (the "***Withholding Obligation***") in accordance with the withholding procedures established by the Company. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock in respect of the RSU Award. In the event the Withholding Obligation of the Company arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

6. Date of Issuance.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation, if any, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***."

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) In addition and notwithstanding the foregoing, no shares of Common Stock issuable to you under this Section 6 as a result of the vesting of one or more Restricted Stock Units will be delivered to you until any filings that may be required pursuant to the Hart-Scott-Rodino ("***HSR***") Act in connection with the issuance of such shares have been filed and any required waiting period under the HSR Act has expired or been terminated (any such filings and/or waiting period required pursuant to HSR, the "***HSR Requirements***"). If the HSR Requirements apply to the issuance of any shares of Common Stock issuable to you under this Section 6 upon vesting of one or more Restricted Stock Units, such shares of Common Stock will not be issued on the Original Issuance Date and will instead be issued on the first business day on or following the date when all such HSR Requirements are satisfied and when you are permitted to sell shares of Common Stock on an established stock exchange or stock market, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities. Notwithstanding the foregoing, the issuance date for any shares of Common Stock delayed under this Section 6(c) shall in no event be later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), unless a later issuance date is permitted without incurring adverse tax consequences under Section 409A of the Code or other Applicable Law.

(d) To the extent the RSU Award is a Non-Exempt Award, the provisions of Section 11 of the Plan shall apply.

7. Transferability. Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution.

8. Corporate Transaction. Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. No Liability for Taxes. As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

10. Severability. If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. Other Documents. You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

12. Questions. If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences please see the Prospectus.

ILEARNINGENGINES, INC.
2024 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: APRIL 12, 2024
APPROVED BY THE STOCKHOLDERS: APRIL 1, 2024

1. GENERAL; PURPOSE.

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan.

(b) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. ADMINISTRATION.

(a) The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time which Related Corporations of the Company will be eligible to participate in the Plan.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan.

(viii) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside the United States.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references to the Board in this Plan and in any applicable Offering Document will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares of Common Stock Subject to the Plan.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 2,688,265 shares of Common Stock (equal to two percent (2%) of the total number of issued and outstanding shares of Common Stock immediately after the consummation of the transactions contemplated by the Merger Agreement), plus the number of shares of Common Stock that are automatically added on January 1st of each year for a period of up to ten years, commencing on January 1, 2025 and ending on (and including) December 31, 2034, in an amount equal to one percent (1.0%) of the total number of shares of Capital Stock outstanding on December 31st of the preceding calendar year. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1st increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. Grant of Purchase Rights; Offering.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. Eligibility.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation. Except as provided in Section 5(b), an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

6. Purchase Rights; Purchase Price.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where applicable law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first practicable payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash or check prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by applicable law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute to such individual as soon as practicable all of his or her accumulated but unused Contributions.

(d) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(e) Unless otherwise specified in the Offering or required by applicable law, the Company will have no obligation to pay interest on Contributions.

8. Exercise of Purchase Rights.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock and such remaining amount is less than the amount required to purchase one share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will be held in such Participant's account for the purchase of shares of Common Stock under the next Offering under the Plan, unless such Participant withdraws from or is not eligible to participate in such next Offering, in which case such amount will be distributed to such Participant after the final Purchase Date without interest (unless the payment of interest is otherwise required by applicable law). If the amount of Contributions remaining in a Participant's account after the purchase of shares of Common Stock is at least equal to the amount required to purchase one (1) whole share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will be distributed in full to such Participant after the final Purchase Date of such Offering without interest.

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable federal, state, foreign and other securities and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 6 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all applicable laws, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest.

9. Covenants of the Company.

The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. Designation of Beneficiary.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions without interest (unless the payment of interest is otherwise required by applicable law) to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. Adjustments upon Changes in Common Stock; Corporate Transactions.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. Amendment, Termination or Suspension of the Plan.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by applicable law or listing requirements.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code.

Notwithstanding anything in the Plan or any Offering Document to the contrary, the Board will be entitled to: (i) establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars; (ii) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (iii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iv) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code; and (v) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. Effective Date of Plan.

The Plan will become effective on April 12, 2024. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

14. Miscellaneous Provisions.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflict of laws rules.

15. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Capital Stock***" means each and every class of common stock of the Company, regardless of the number of votes per share.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(e) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(f) "***Common Stock***" means the common stock of the Company.

(g) "***Company***" means ILearningEngines, Inc., a Delaware corporation.

(h) ***"Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(i) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(j) "***Director***" means a member of the Board.

(k) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(l) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(m) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(n) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(o) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the **closing sales price** for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) **on the date of determination**, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with applicable laws and in a manner that complies with Sections 409A of the Code.

(p) "***Merger Agreement***" means that certain Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023, as it may be amended, by and among, Arrowroot Acquisition Corp., a Delaware corporation ("***Acquiror***"), ARAC Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Acquiror and the Company.

(q) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(r) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(s) "***Officer***" means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(t) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(u) "***Plan***" means this ILearningEngines, Inc. 2024 Employee Stock Purchase Plan, as amended from time to time.

(v) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(w) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(x) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(y) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(z) "***Securities Act***" means the Securities Act of 1933, as amended.

(aa) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

Exhibit 10.15

ILEARNINGENGINES, INC.
INDEMNIFICATION AGREEMENT

This **INDEMNIFICATION AGREEMENT** (this "***Agreement***") is dated as of [●] and is between iLearningEngines, Inc., a Delaware corporation (the "***Company***"), and **[Indemnitee Name]** ("***Indemnitee***").

RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to provide or continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

AGREEMENT

The parties agree as follows:

1. Definitions.

(a) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"); provided, however, that "Beneficial Owner" shall exclude any Person otherwise becoming a Beneficial Owner solely by reason of (i) the stockholders of the Company approving a merger of the Company with another Person, or entering into tender or support agreements relating thereto, provided such merger was approved by the Company's board of directors, or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) A "***Change in Control***" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constituted the Company's board of directors and any Approved Directors cease for any reason to constitute at least a majority of the members of the Company's board of directors. "***Approved Directors***" means new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(b)(i), 1(b)(iii) or 1(b)(iv)) whose election or nomination by the board of directors (or, if applicable, by the Company's stockholders) was approved by a vote of at least two thirds of the directors then still in office who either were directors at the beginning of such two-year period or whose election or nomination for election was previously so approved;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect a majority of the board of directors or other governing body of such surviving entity. For purposes of this 1(b)(iii) surviving entity shall include any entity that controls, directly or indirectly, the surviving entity of such merger or consolidation; or

(iv) *Liquidation.* The approval by the Company's stockholders of a complete liquidation or the dissolution of the Company or an agreement for the sale, lease or disposition by the Company of all or substantially all of the Company's assets; or

(v) *Other Events.* 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 in response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement, *except* the completion of the transactions contemplated by the Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023, by and among the Company (formerly known as Arrowroot Acquisition Corp.), ARAC Merger Sub, Inc., and iLearningEngines Holdings, Inc. (formerly known as iLearningEngines Inc.) shall not be considered a Change in Control.

(c) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(d) "***DGCL***" means the General Corporation Law of the State of Delaware.

(e) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(f) "***Enterprise***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(g) "***Expenses***" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond or other appeal bond or their equivalent, and (ii) for purposes of Section 10(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable in the good faith judgment of such counsel shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company, any Enterprise or Indemnitee in any matter material to any such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term Independent Counsel shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(i) "***Person***" shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act; *provided*, *however*, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(j) "***Proceeding***" means any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, whether formal or informal, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee's Corporate Status or (ii) any action taken (or any failure to take actions) by Indemnitee or any action or inaction on Indemnitee's part while acting pursuant to Indemnitee's Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(k) "***to the fullest extent permitted by applicable law***" means to the fullest extent permitted by all applicable laws, including without limitation: (i) the fullest extent permitted by DGCL as of the date of this Agreement and (ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

(l) In connection with any Proceeding relating to an employee benefit plan: references to other Enterprises shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to any 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, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or witness or other participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a witness or other participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in 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 or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 4, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness, is or was made (or asked) to respond to discovery requests in any Proceeding, or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

7. Additional Indemnification. Notwithstanding any limitation in Sections 4, 5 or 6, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) by reason of Indemnitee's Corporate Status. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the Bylaws, vote of the Company's stockholders or disinterested directors or applicable law.

8. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Exchange Act, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for 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 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), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) for any reimbursement (such Proceeding, a "Clawback Proceeding") of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act (a "Clawback Policy"). In furtherance of paragraph (d) of this Section 8, Indemnitee hereby agrees to abide by the terms of any Clawback Policy, including, without limitation, by returning any compensation to the Company to the extent required by, and in a manner permitted by, the Clawback Policy, and hereby understands and agrees that Indemnitee shall not be entitled to any (x) indemnification for any liability (including any amounts owed by Indemnitee in a judgment or settlement of any Clawback Proceeding) or loss (including judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of Indemnitee) incurred by Indemnitee in connection with any Clawback Proceeding or (y) indemnification or advancement of Expenses (including attorneys' fees) from the Company and or any subsidiary of the Company incurred by Indemnitee in connection any Clawback Proceeding; provided, however, if Indemnitee is successful on the merits in the defense of any claim asserted against Indemnitee in a Clawback Proceeding, Indemnitee shall be indemnified for the Expenses (including attorneys' fees) Indemnitee reasonably incurred to defend such claim. Indemnitee hereby knowingly, voluntarily and intentionally waives, and agrees not to assert any claim regarding, all indemnification, advancement of Expenses and other rights to which the Indemnitee is now or becomes entitled to under this Agreement, the Charter, the Bylaws, the governing documents of each subsidiary of the Company and the DGCL, in each case to the extent such waiver and agreement is necessary to give effect to the preceding sentence of this paragraph. Indemnitee agrees and acknowledges that the compensation Indemnitee has or will receive from the Company or any of its subsidiaries constitutes fair and adequate consideration in exchange for the waiver and agreement provided by Indemnitee in this paragraph.

(e) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 13(d) or (iv) otherwise required by applicable law; provided, for the avoidance of doubt, Indemnitee shall not be deemed for purposes of this paragraph, to have initiated any Proceeding (or any part of a Proceeding) by reason of (i) having asserted any affirmative defenses in connection with a claim not initiated by Indemnitee or (ii) having made any counterclaim (whether permissive or mandatory) in connection with any claim not initiated by Indemnitee; or

(f) if prohibited by the DGCL or other applicable law.

9. Advances of Expenses. The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 30 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, *except*, with respect to advances of expenses made pursuant to Section 13(d), in which case Indemnitee makes the undertaking provided in Section 13(d). This Section 9 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8(b) or 8(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

10. Procedures for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability that it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially reasonable 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.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its election to do so. 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 for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations, or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) effected without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in a settlement to which the Company has given its prior written consent, such settlement shall be treated as a success on the merits in the settled action, suit or proceeding.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any Expense, judgment, fine, penalty, liability or limitation on Indemnitee not paid by the Company without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

11. Procedures upon Application for Indemnification.

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination with respect to Indemnitee's entitlement thereto shall be made as follows, provided that a Change in Control shall not have occurred: (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors; (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors; (iii) if there are no such Disinterested Directors or, if a majority of Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee; or (iv) if so directed by the Company's board of directors, by the stockholders of the Company. If a Change in Control shall have occurred, unless Indemnitee requests that the Disinterested Directors make the determination, a determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(b), the Independent Counsel shall be selected as provided in this Section 11(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection that shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(b). Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a), the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company shall pay the reasonable fees and expenses of any Independent Counsel and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(e) If the Company disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

12. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption by clear and convincing evidence..

(b) Subject to Section 13(e), if the person, persons or entity empowered or selected under Section 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided*, *however*, that such 30-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and *provided*, *further*, that the foregoing provisions of this Section 12(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 11(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Company's board of directors has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within ninety (90) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith to the extent Indemnitee relied in good faith on (i) the records or books of account of the Enterprise, including financial statements, (ii) information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, (iii) the advice of legal counsel for the Enterprise or its board of directors or counsel selected by any committee of the board of directors or (iv) information or records given or reports made to the Enterprise by an independent certified public accountant, an appraiser, investment banker or other expert selected with reasonable care by the Enterprise or its board of directors or any committee of the board of directors. The provisions of this Section 12(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

13. Remedies of Indemnitee.

(a) Subject to Section 13(e), in the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Sections 11(b) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 4, 5 and 6 of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 2, 3 or 7 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 11 that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the burden of proof shall be by clear and convincing evidence.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 13 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement, any other agreement, the Company's certificate of incorporation or bylaws or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 30 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 9. Indemnitee hereby undertakes to repay such advances to the extent the Indemnitee is ultimately unsuccessful in such action or arbitration.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

14. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

15. Non-exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

16. Primary Responsibility. The Company acknowledges that to the extent Indemnitee is serving as a director on the Company's board of directors at the request or direction of a private equity or venture capital fund or other entity and/or certain of its affiliates (collectively, the "***Secondary Indemnitors***"), Indemnitee may have certain rights to indemnification and advancement of expenses provided by such Secondary Indemnitors. The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 16. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 16.

17. No Duplication of Payments. Subject to Section 16, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

18. Insurance. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

19. Subrogation. Subject to Section 16, in the event of any 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 papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

20. Services to the Company. Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

21. Duration. This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 13 relating thereto.

22. Successors. This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. Further, 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 or assets of the Company, by written agreement, 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.

23. 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 or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

24. Enforcement. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

25. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided*, *however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

26. Modification and Waiver. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

27. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to iLearningEngines, Inc., 6701 Democracy Blvd., Suite 300, Bethesda, Maryland 20817, Attention: Chief Legal Officer, or at such other current address as the Company shall have furnished to Indemnitee.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via facsimile, upon confirmation of facsimile transfer or, if sent via electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

28. Applicable Law and Consent to Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 13(a), the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Service Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

29. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

30. Captions. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

iLearningEngines, Inc.

By: _____
Name:
Title:

_____
[**Indemnitee**]

Address: _____
_____

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT (INDICATED BY "[***]") BECAUSE ILEARNINGENGINES, INC. HAS DETERMINED SUCH INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

CONVERTIBLE NOTE PURCHASE AGREEMENT

This **CONVERTIBLE NOTE PURCHASE AGREEMENT** (this "**Agreement**"), is made as of [●], 2024, by and among **iLearningEngines Inc.**, a Delaware corporation (the "**Company**"), and the Persons (as defined below) listed on **Exhibit A** attached to this Agreement (each a "**Lender**" and collectively, the "**Lenders**" and together with the Company, each a "**Party**", and collectively, the "**Parties**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Section 1.5 or Section 8.1, as applicable.

WHEREAS, the Company desires to borrow up to $[●] in the aggregate from one or more investors pursuant to the terms and conditions of convertible promissory notes;

WHEREAS, each of the Lenders desires to loan the Company the amount set forth opposite such Lender's name on **Exhibit A** attached hereto; and

WHEREAS, the Parties wish to provide for the sale and issuance of such notes in return for such consideration.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned Parties hereby agree as follows:

1. Amount and Terms of the Notes.

1.1 Convertible Promissory Notes. At the applicable Closing, each Lender agrees to remit such Lender's Investment Amount to the Company by wire transfer of immediately available funds to an account designated in writing by the Company. Upon receipt of funds and the execution and delivery of this Agreement from a Lender, the Company shall issue and sell to such Lender a Note in principal amount equal to such Lender's Investment Amount (or, as the case may be, the portion of such Lender's Investment Amount funded on such date).

1.2 Subsequent Sales of Notes. After the Initial Closing and until the earliest of the consummation of a Qualified de-SPAC Transaction (as defined in the Note), the consummation of a Liquidation Event (as defined in the Note) and August 31, 2024, the Company may sell and issue additional Notes in one or more Subsequent Closings in such amounts, to such investors, and in such manner as follows by executing a counterpart signature page to this Agreement, any such Person who purchases a Note shall become a party to this Agreement and shall have the rights and obligations of a "Lender" hereunder.

1.3 Closings. The initial closing (the "**Initial Closing**") hereunder shall take place remotely via the exchange of documents and signatures on the date of this Agreement or such other time and place that the Company and any participating Lender shall agree. Pursuant to Section 1.2, one or more subsequent closings may be held after the Initial Closing (each, a "**Subsequent Closing**"), which shall be held at such time and in such place as the Company and the Lender(s) participating in each such Subsequent Closing shall mutually agree. Subject to satisfaction or waiver of the conditions set forth in Section 4, at the Initial Closing and each Subsequent Closing, each participating Lender shall deliver to the Company such Lender's Investment Amount and signature pages to this Agreement (if applicable) and such Lender's Note, and the Company shall deliver to each participating Lender (x) one or more duly executed Notes dated as of such Closing and (y) signature page to the Registration Rights Agreement. The Initial Closing and each Subsequent Closing may, individually, be referred to herein as a "**Closing**."

1.4 Use of Proceeds. The Company will use the proceeds from the issuance of the Notes for working capital and other general corporate purposes.

1.5 Defined Terms Used in this Agreement. In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) "**Acquiror**" means Arrowroot Acquisition Corp., a Delaware corporation.

(b) "**Action**" means any action, assessment, suit, proceeding (including arbitration proceeding), investigation, complaint, examination, subpoena, claim, charge, hearing, grievance, litigation, summons, citation, order, audit, governmental charge or inquiry.

(c) "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

(d) **Board**" means the Board of Directors of the Company.

(e) "**Company Common Stock**" means the shares of common stock, par value $0.0001 per share, of the Company.

(f) "**Company Entity**" means each of the Company and each of its Subsidiaries.

(g) "**Company Material Adverse Effect**" means any Event that (i) has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, assets, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole or (ii) does or would reasonably be expected to, individually or in the aggregate, prevent or materially delay the ability of the Company to consummate the Transactions; provided, however, that in no event would any of the following, alone or in combination, be deemed to constitute, or be taken into account in determining whether there has been or will be, a "**Company Material Adverse Effect**" pursuant to clause (i) above: (a) any change in applicable Laws or GAAP or any interpretation thereof following the date of this Agreement, (b) any change in interest rates or economic, political, business or financial market conditions generally, (c) the taking of any action required by this Agreement, (d) any natural disaster (including hurricanes, storms, tornados, flooding, earthquakes, volcanic eruptions or similar occurrences), pandemic (including, for the avoidance of doubt, COVID-19) or change in climate (including any effect directly resulting from, directly arising from or otherwise directly related to such natural disaster, pandemic, or change in climate), (e) any acts of terrorism or war, the outbreak or escalation of hostilities, geopolitical conditions, local, national or international political conditions, (f) any failure of the Company to meet any projections or forecasts (provided that clause (f) shall not prevent any Event not otherwise excluded from this definition of Company Material Adverse Effect underlying such failure to meet projections or forecasts from being taken into account in determining if a Company Material Adverse Effect has occurred), (g) any Events generally applicable to the industries or markets in which the Company and its Subsidiaries operate (including increases in the cost of products, supplies, materials or other goods purchased from third party suppliers), or (h) the announcement of this Agreement or execution, pendency, negotiation or consummation of the Transactions, including any termination of, reduction in the scope of, or similar adverse impact (but in each case only to the extent attributable to such announcement or consummation) on, relationships, contractual or otherwise, with any landlords, customers, suppliers, distributors, partners or employees of the Company and its Subsidiaries (it being understood that this clause (h) shall be disregarded for purposes of the representation and warranty set forth in Section 2.3), and (i) actions taken by, or at the written request of, the Lenders; provided, further, that any Event referred to in clauses (a), (b), (d), (e) or (g) above may be taken into account in determining if a Company Material Adverse Effect has occurred to the extent it has a disproportionate and adverse effect on the business, assets, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, relative to similarly situated companies in the industry in which the Company and its Subsidiaries conduct their respective operations, but only to the extent of the incremental disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to similarly situated companies in the industry in which the Company and its Subsidiaries conduct their respective operations.

(h) "**Contracts**" means any legally binding contracts, agreements, subcontracts, leases, and purchase orders.

(i) "**COVID-19**" means the COVID-19 or SARS-CoV-2 virus (or any mutation or variation thereof).

(j) "**De-SPAC Combination Agreement**" means the Agreement and Plan of Merger and Reorganization, dated April 27, 2023, by and among the Company, Arrowroot Acquisition Corporation and the other parties thereto, as amended, restated, modified or waived from time to time in accordance with its terms, concerning a business combination between the Company and Arrowroot Acquisition Corporation.

(k) "**de-SPAC Transaction**" means a business combination (in the form of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination) of the Company with a blank check company listed on the New York Stock Exchange, Nasdaq or other nationally recognized securities exchange and formed for the purpose of effecting a business combination (in the form of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination).

(l) "**DPA**" means the Defense Production Act of 1950, as amended, including all implementing regulations thereof.

(m) "**Event**" means any change, event, state of facts, development, circumstance, occurrence or effect.

(n) "**Fraud**" means actual intentional common law fraud under the laws of the State of Delaware (that includes the element of scienter), in any case, solely with respect to the making of the representations and warranties set forth in Section 2. Under no circumstances shall "Fraud" include any equitable fraud, constructive fraud, negligent misrepresentation, unfair dealings or other fraud or torts based on recklessness or negligence.

(o) "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

(p) "**Governmental Authority**" means any (i) government, (ii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal) or (iii) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, in the case of any of clause (i) through (iii), whether U.S. federal, state, local, municipal, foreign, supranational or of any other jurisdiction.

(q) "**Governmental Order**" means any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any Governmental Authority.

(r) "**ILE Australia**" means ILearningEngines PTY LTD, an entity formed under the laws of Australia.

(s) "**ILE India**" means iLearningEngines India Private Limited, an entity formed under the laws of India.

(t) "**ILE UAE**" means iLearningEngines FZ-LLC, an entity formed under the laws of the United Arab Emirates.

(u) "**in2vate**" means in2vate, LLC, an Oklahoma limited liability company.

(v) "**Investment Amount**" shall mean the dollar amount committed by a given Lender and set forth opposite such Lender's name on the Schedule of Lenders attached hereto as **Exhibit A**.

(w) "**Law**" means any statute, law (including common law), ordinance, rule, regulation, Governmental Order or other similar legal requirement, in each case, of any Governmental Authority.

(x) "**Leased Real Property**" means all real property leased, licensed, subleased or otherwise used or occupied by the Company or any of its Subsidiaries.

(y) "**Licenses**" means any approvals, authorizations, consents, licenses, registrations, permits or certificates of a Governmental Authority.

(z) "**Lien**" means all liens, mortgages, deeds of trust, pledges, hypothecations, encumbrances, security interests, adverse claim, options, restrictions, claims or other liens of any kind whether consensual, statutory or otherwise.

(aa) "**Note**" means a convertible promissory note in substantially the form attached hereto as **Exhibit B**.

(bb) "**Organizational Documents**" means the organizational and governing documents of a non-natural Person, including, as applicable, the charter, articles or certificate of incorporation, bylaws, articles of organization or certificate of formation, operating agreement or similar governing documents, as amended.

(cc) "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(dd) "**Securities**" means the securities issuable upon conversion of the Notes.

(ee) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(ff) "**Subsidiary**" means, with respect to any Person, any corporation, partnership, association or other business entity of which, if a (i) corporation, a majority of the total voting power of shares of stock 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 or (ii) partnership, limited liability company or other business entity, a majority of the partnership, limited liability company or other similar ownership interest 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. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, limited liability company or other business entity if such Person or Persons shall be allocated a majority of partnership, limited liability company or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, limited liability company or other business entity. For the avoidance of doubt, for purposes of this Agreement, each of ILE India, ILE UAE, ILE Australia and in2vate shall be deemed to be Subsidiaries of the Company.

(gg) "**Taxes**" means any and all U.S. federal, state, or local or non-U.S. taxes, including income, gross receipts, license, payroll, recapture, net worth, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, ad valorem, value added, inventory, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, alternative or add-on minimum, estimated, and other taxes, including any interest, penalty, or addition to tax of any of the foregoing.

(hh) "**Transaction**" means the transactions contemplated by the Transaction Agreements.

(ii) "**Transaction Agreements**" means this Agreement and the Notes.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to each Lender that the representations and warranties made hereunder are true and complete as of the date of the Initial Closing, except as otherwise indicated.

2.1 Company Organization. The Company has been duly incorporated and is validly existing and in good standing under the Laws of the State of Delaware, and has the requisite corporate power and authority to own, lease or operate all of its properties and assets and to conduct its business as it is now being conducted. The Organizational Documents of the Company, as amended to the date of this Agreement and as previously made available by or on behalf of the Company to the Lenders, are true, correct and complete. The Company is duly licensed or qualified and in good standing as a foreign or extra-provincial corporation in each jurisdiction in which its ownership of property or the character of its activities is such as to require it to be so licensed or qualified or in good standing, as applicable, except where the failure to be so licensed or qualified or in good standing would be material to the business of the Company and its Subsidiaries, taken as a whole. The Company is not in violation of any of the provisions of its Organizational Documents.

2.2 Due Authorization.

(a) The Company has all requisite corporate power and authority to execute and deliver this Agreement and the other Transaction Agreements and to consummate the Transactions and to perform all of its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Agreements and the consummation of the Transactions have been duly and validly authorized and approved by the Board, and no other corporate proceeding on the part of the Company is necessary to authorize this Agreement and the other Transaction Agreements. This Agreement and the other Transaction Agreements have been duly and validly executed and delivered by the Company. This Agreement and the other Transaction Agreements constitute, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(b) On or prior to the date of this Agreement, the Board has duly adopted resolutions (i) determining that this Agreement and the other Transaction Agreements and the Transactions are advisable and fair to, and in the best interests of, the Company and its stockholders, as applicable, (ii) authorizing and approving the execution, delivery and performance by the Company of this Agreement and the other Transaction Agreements and the Transactions and (iii) recommending that the holders of the Company Common Stock approve this Agreement and the Transactions. No other corporate action is required on the part of the Company or any of its stockholders to enter into this Agreement or the other Transaction Agreements.

2.3 No Conflict. The execution and delivery by the Company of this Agreement and the other Transaction Agreements and the consummation of the Transactions do not and will not (a) violate or conflict with any provision of, or result in the breach of, or default under the Organizational Documents of the Company, (b) violate or conflict with any provision of, or result in the breach of, or default under any Law or Governmental Order applicable to the Company or any of the Company's Subsidiaries, (c) violate or conflict with any provision of, or result in the breach of, result in the loss of any right or benefit, or cause acceleration, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under any material Contract to which the Company or any of the Company's Subsidiaries is a party or by which the Company or any of the Company's Subsidiaries may be bound or any License of the Company or any of its Subsidiaries, or terminate or result in the termination of any such foregoing Contract or (d) result in the creation of any Lien upon any of the properties or assets of the Company or any of the Company's Subsidiaries, except, in the case of clauses (b) through (d), to the extent that the occurrence of the foregoing would not (i) have or would not be reasonably expected to have, individually or in the aggregate, a material adverse effect on the ability of the Company to enter into and perform their obligations under this Agreement or (ii) be material to the business of the Company and its Subsidiaries, taken as a whole.

2.4 Governmental Authorities; Consents. Assuming the truth and completeness of the representations and warranties of the Lenders contained in this Agreement, no consent, waiver, approval or authorization of, or designation, declaration or filing with, or notification to, any Governmental Authority is required on the part of the Company or its Subsidiaries with respect to the Company's execution or delivery of this Agreement or the consummation by the Company of the Transactions, except for any consents, approvals, authorizations, designations, declarations, waivers or filings, the absence of which would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

3. Representations and Warranties of the Lenders. Each Lender hereby represents and warrants to the Company, severally and not jointly, that:

3.1 Authorization. Such Lender has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which such Lender is a party, when executed and delivered by such Lender, will constitute valid and legally binding obligations of such Lender, enforceable against such Lender in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.2 Purchase Entirely for Own Account. This Agreement is made with such Lender in reliance upon such Lender's representation to the Company, which by such Lender's execution of this Agreement, such Lender hereby confirms, that the Note and the Securities to be acquired by such Lender will be acquired for investment for such Lender's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such Lender has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, such Lender further represents that such Lender does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Securities. Such Lender has not been formed for the specific purpose of acquiring the Securities.

3.3 Disclosure of Information. Such Lender has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Notes with the Company's management and has had an opportunity to review the Company's facilities. Such Lender acknowledges and agrees that it has accessed and reviewed (i) the Registration Statement of Acquiror, filed on Form S-4 with the Securities and Exchange Commission (the "**SEC**") (File No. 333-274333), as amended, (ii) the Proxy Statement/Prospectus of Acquiror filed pursuant to Rule 424(b)(3) filed with the SEC (File No. 333-274333) on February 5, 2024, and (iii) the Prospectus Supplement of Acquiror filed with the SEC (File No. 333-274333) on March 28, 2024.

3.4 Restricted Securities. Such Lender understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act, only in certain limited circumstances. Such Lender represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

3.5 Legends. Such Lender understands that the Notes and any Securities may be notated with one or all of the following legends:

> "THESE SECURITIES AND THE SHARES ISSUABLE UPON CONVERSION HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT."

(a) Any legend required by the securities laws of any state to the extent such laws are applicable to the Securities represented by the certificate, instrument, or book entry so legended.

3.6 Accredited Investor. Such Lender is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.7 Foreign Investors. If such Lender is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), such Lender hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to purchase the Notes or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Notes, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Notes. Such Lender's purchase and payment for and continued beneficial ownership of the Notes will not violate any applicable securities or other laws of such Lender's jurisdiction.

3.8 CFIUS Foreign Person Status. Unless such Lender has notified the Company in writing, such Lender is not a "foreign person" or a "foreign entity," as defined in Section 721 of the DPA. Unless such Lender has notified the Company in writing, such Lender is not controlled by a "foreign person," as defined in the DPA. Such Lender does not permit any foreign person affiliated with such Lender, whether affiliated as a limited partner or otherwise, to obtain through such Lender any of the following with respect to the Company: (i) access to any "material nonpublic technical information" (as defined in the DPA) in the possession of the Company; (ii) membership or observer rights on the Board of Directors or equivalent governing body of the Company or the right to nominate an individual to a position on the Board of Directors, or equivalent governing body of the Company; (iii) any involvement, other than through the voting of shares, in the substantive decision making of the Company regarding (x) the use, development, acquisition, or release of any "critical technology" (as defined in the DPA), (y) the use, development, acquisition, safekeeping, or release of "sensitive personal data" (as defined in the DPA) of U.S. citizens maintained or collected by the Company, or (z) the management, operation, manufacture, or supply of "covered investment critical infrastructure" (as defined in the DPA); or (iv) "control" of the Company (as defined in the DPA).

3.9 No General Solicitation. Neither such Lender, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Notes.

3.10 Exculpation Among Lenders. Such Lender acknowledges that it is not relying upon any Person, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Such Lender agrees that neither any other Lender nor the respective controlling Persons, officers, directors, partners, agents, or employees of any other Lender shall be liable to any other Lender for any action heretofore taken or omitted to be taken by any of them in connection with the purchase of the Notes.

3.11 Residence. If such Lender is an individual, then such Lender resides in the state or province identified in the address of such Lender set forth on **Exhibit A**; if such Lender is a partnership, corporation, limited liability company or other entity, then the office or offices of such Lender in which its principal place of business is identified in the address or addresses of such Lender set forth on **Exhibit A**.

3.12 "Bad Actor" Matters. Such Lender hereby represents that no Disqualification Event is applicable to such Lender or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Lender hereby agrees that it shall notify the Company promptly in writing in the event a Disqualification Event becomes applicable to such Lender or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Section 3.12, "**Rule 506(d) Related Party**" shall mean a person or entity that is a beneficial owner of such Lender's securities for purposes of Rule 506(d) of the Securities Act.

4. Conditions to the Lenders' Obligations at Closing. The obligations of each Lender to remit such Lender's Investment Amount at any Closing are subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of the Initial Closing.

4.2 Performance. The Company Entities shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company Entities on or before such Closing.

4.3 Qualifications. All authorizations, approvals or permits, if any, of any Governmental Authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance of the Notes pursuant to this Agreement shall be obtained and effective as of such Closing.

4.4 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to each Lender, and each Lender (or its respective counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested. Such documents may include good standing certificates.

5. Conditions of the Company's Obligations at Closing. The obligations of the Company to issue the Notes to any particular Lender at the Initial Closing or any subsequent Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. The representations and warranties of such Lender contained in Section 3 shall be true and correct in all respects as of such Closing.

5.2 Performance. Such Lender shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by such Lender on or before such Closing.

5.3 Qualifications. All authorizations, approvals or permits, if any, of any Governmental Authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance of the Notes pursuant to this Agreement shall be obtained and effective as of the Closing.

5.4 Subordination Agreement. Such Lender will have executed and delivered to WTI Fund X, Inc. (together with its affiliates, including Venture Lending & Leasing IX, Inc., "**WTI**") a subordination agreement, in form and substance acceptable to WTI and the Company.

5.5 Waiver of Most Favored Nations Provision. Each of the parties to that certain Convertible Note Purchase Agreement, dated April 27, 2023 (the "***2023 Purchase Agreement***") (other than the Company), shall have executed and delivered to the Company enforceable and irrevocable written waivers of each such party's rights under Section 8 (Most Favored Nations) of the 2023 Purchase Agreement, including the right to require the Company to amend and restated the 2023 Purchase Agreement to be identical to the terms of this Agreement with respect to more favorable economic terms (including Section 8 of this Agreement).

6. Survival of Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall expire at the Initial Closing, except in the case of Fraud. After the Initial Closing, the Company shall have no liability to a Lender for any breach or inaccuracy of the representations and warranties of the Company contained in this Agreement, except in the case of Fraud. No provision of this Agreement shall be deemed a waiver by any Lender of any right or remedy which such Lender may have based upon Fraud, nor shall any such provision limit or be deemed to limit (x) the amounts of recovery sought or awarded in any such claim for Fraud, (y) the time period during which a claim for Fraud may be brought, or (z) the recourse which any Lender may seek against the Company with respect to a claim for Fraud. Each covenant or agreement of the parties that by its terms contemplates performance after the Initial Closing shall survive in accordance with the terms of this Agreement.

7. Registration Rights. At the closing of the transactions contemplated by the De-SPAC Combination Agreement, the Company shall cause the Acquiror (as defined therein) to enter into the Registration Rights Agreement (as defined therein) with each Lender, subject to each Lender executing and delivering to the Acquiror a joinder to the Registration Rights Agreement, in substantially the form attached hereto as **Exhibit C**.

8. Anti-dilution Protection Following Conversion Upon a Qualified SPAC.

8.1 Certain Definitions.

(a) "***Conversion Price***" means the price per share at which the Principal (as defined in the Note), together with accrued but unpaid interest, on each Note converts into Incentive Shares in accordance with Section 2.b. of the Note.

(b) "***Incentive Shares***" shall have the meaning set forth in the Merger Agreement entered into on April 27, 2023, as amended or supplemented, by and between Arrowroot Acquisition Corp, ARAC Merger Sub, Inc. and the Company.

(c) "***Make-Whole Payment***" means, with respect to a SPAC Share, a number of additional Incentive Shares (rounded down to the nearest whole share) equal to (i) the Conversion Price, *divided by* the Reference Price, *minus* (ii) one (1). The Conversion Price and Reference Price shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during the period beginning on the date the SPAC Shares are issued upon conversion of the Notes and ending on the Reference Date.

(d) "***Principal Market***" means the principal national securities exchange on which the Common Stock is then listed or traded.

(e) "***Reference Date***" means November 30, 2024.

(f) "***Reference Price***" means the greater of (i) the VWAP of the SPAC Shares over the ten (10) Trading Days immediately preceding the Reference Date and (ii) $1.00.

(g) "***Trading Day***" means any day on which the Principal Market is open for trading (regular way), including any day on which it is open for trading (regular way) for a period of time less than the customary time.

(h) "***Transfer***" means to (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), with respect to any SPAC Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any SPAC Shares.

(i) "***VWAP***" means, for the SPAC Shares for a specified period, the dollar volume-weighted average price for the SPAC Shares on the Principal Market, for such period, as reported by Bloomberg through its "AQR" function. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

8.2 Make-Whole Payment.

(a) Following the conversion of the Notes pursuant to Section 2.b. of the Notes, if the VWAP of the SPAC Shares over the ten (10) Trading Days immediately preceding the Reference Date is below the Conversion Price, then the Company shall cause the Acquiror to, as soon as reasonably practicable, issue to each Lender a Make-Whole Payment with respect to each SPAC Share then by such Lender on the Reference Date.

(b) Notwithstanding anything to the contrary in the foregoing, the right of a Lender to receive a Make-Whole Payment is not transferrable, and neither the Lender nor a transferee of SPAC Shares shall receive a Make-Whole Payment with respect to any SPAC Shares that have been Transferred prior to the Reference Date.

(c) Notwithstanding anything to the contrary in the foregoing, the maximum number of shares issuable in connection with Make-Whole Payments, in the aggregate, shall not exceed 10,000,000 Incentive Shares (the "***Make-Whole Payment Cap***") and the Acquiror shall not have any obligation to issue any Make-Whole Payment in excess of the Make-Whole Payment Cap. If the number of Incentive Shares issuable, in the aggregate, in connection with Make-Whole Payments exceed the Make-Whole Payment Cap, then each Lender shall receive its pro rata portion of the Make-Whole Payment Cap based on the proportion of the Make-Whole Payments issuable to such Lender without regard to the Make-Whole Payment Cap, *divided by* the aggregate Make Whole-Payments issuable to all Lenders without regard to the Make-Whole Payment Cap.

(d) In order to be eligible to receive the Make-Whole Payment, each Lender shall cooperate with the Acquiror and shall execute and deliver such documents and take such other actions as the Acquiror may reasonable request in connection with the issuance of the Make-Whole Payment, including certifying as to the number of SPAC Shares beneficially owned within the meaning of Section 16 of the Exchange Act by such Lender and any Transfers of SPAC Shares by such Lender.

9. Miscellaneous.

9.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

9.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

9.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, the Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

9.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (i) personal delivery to the Party to be notified, (ii) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at their address as set forth on the signature page or **Exhibit A**, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 9.5. If notice is given to the Company, it shall be sent to 6701 Democracy Blvd, Bethesda, Maryland 20817, *Attention*: P.K. Chidambaran; and a copy (which copy shall not constitute notice) shall also be sent to Cooley LLP, 1299 Pennsylvania Avenue, NW, Suite 700, Washington, DC 20004, *Attention*: Dan Peale ([***]), Josh Holleman ([***]) and David Silverman ([***]).

9.6 No Finder's Fees. Each Party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Lender (on a several and not joint basis) agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Lender or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless each Lender from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

9.7 Fees and Expenses. Each party hereto shall bear its own legal fees and costs in connection with the purchase of Notes.

9.8 Attorneys' Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

9.9 Amendments and Waivers. Except as set forth in Section 1.2, any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and lenders (including the Lenders hereunder) holding a majority of the outstanding principal amount of the Notes issued hereunder and issued under that certain Convertible Note Purchase Agreement, dated April 27, 2023, by and among the Company and the lenders a party thereto (collectively, the "**Majority Holders**"). Any amendment or waiver effected in accordance with this Section 9.9 shall be binding upon the Lenders and each transferee of the Notes (or the Securities issuable upon conversion thereof), each future holder of all such securities, and the Company.

9.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

9.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

9.12 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled.

9.13 Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED UNLESS THE SALE IS SO EXEMPT.

9.14 Dispute Resolution. The Parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the State of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any Action arising out of or based upon this Agreement, (b) agree not to commence any Action arising out of or based upon this Agreement except in the state courts of the State of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

9.15 No Commitment for Additional Financing. The Company acknowledges and agrees that no Lender has made any representation, undertaking, commitment or agreement to provide or assist the Company in obtaining any financing, investment or other assistance, other than the purchase of the Notes as set forth herein and subject to the conditions set forth herein. In addition, the Company acknowledges and agrees that (i) no statements, whether written or oral, made by any Lender or its representatives on or after the date of this Agreement shall create an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment, (ii) the Company shall not rely on any such statement by any Lender or its representatives, and (iii) an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment may only be created by a written agreement, signed by such Lender and the Company, setting forth the terms and conditions of such financing or investment and stating that the Parties intend for such writing to be a binding obligation or agreement. Each Lender shall have the right, in its sole and absolute discretion, to refuse or decline to participate in any other financing of or investment in the Company, and shall have no obligation to assist or cooperate with the Company in obtaining any financing, investment or other assistance.

9.16 Interpretation. The words "include" and "including", and other words of similar import when used herein shall not be deemed to be terms of limitation but rather shall be deemed to be followed in each case by the words "without limitation", whether or not they are in fact followed by those words or words of like import. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any capitalized term used in any Exhibit but not otherwise defined therein will have the meaning given to such term in this Agreement. The word "if" and other words of similar import when used herein shall be deemed in each case to be followed by the phrase "and only if". The words "herein", "hereto", "hereunder" and "hereby" and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement. When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. Any reference herein to "dollars" or "$" shall mean United States dollars. The term "or" shall not be exclusive and shall be deemed to mean "and/or". References to any statute, listing rule, rule, standard, regulation or other Law will be (a) interpreted to include any revision of or successor to the same, regardless of how it is numbered or classified and (b) deemed to include a reference to the corresponding rules and regulations, if any, and each of them as amended, modified, supplemented, consolidated, replaced or rewritten from time to time. Any reference herein to a Governmental Authority shall be deemed to include reference to any successor thereto. Any representation or warranty of the Company set forth in this Agreement shall also be deemed to apply to any predecessor of the Company.

9.17 Waiver of Conflicts. Each Party acknowledges that Cooley LLP ("**Cooley**") has acted as counsel solely to the Company with respect to this Agreement and the transactions contemplated hereby (together, the "**Financing**"), and has negotiated the terms of the Financing solely on behalf of the Company. Cooley may have, in the past, represented or may, now or in the future, represent one or more other Parties or their Affiliates in other matters. The applicable rules of professional conduct require that Cooley inform its clients of these representations and obtain their waivers of the conflicts that may arise from such representations. The Company and each other Party hereby (a) acknowledges that such Party has been advised about such circumstances and has had an opportunity to ask for additional information, (b) acknowledges that, with respect to the Financing, Cooley has represented solely the Company and no other Party, and (c) gives its informed consent to Cooley's representation of the Company in the Financing and Cooley's representation of other Parties or their Affiliates in other matters.

9.18 Tax Matters. The Company and the Lenders intend that the Notes, upon issuance, be treated as stock of the Company for U.S. federal income tax purposes. The Company and the Lenders agree to not take any position inconsistent with the foregoing intended tax characterization of the Notes on any tax return, in any administrative or judicial proceeding relating to taxes, or otherwise, unless required by a final determination of the Internal Revenue Service or other applicable income tax authority. Notwithstanding anything to the contrary herein, the Company and any other applicable withholding agent shall be entitled to deduct and withhold from any amount payable pursuant to this Agreement such Taxes that are required to be deducted or withheld from such amount under any applicable Tax Law. To the extent that any Taxes are so deducted or withheld, such Taxes shall be (a) timely remitted to the appropriate Tax authority and (b) if so remitted, treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction or withholding was made.

9.19 Reliance.

(a) Each Lender acknowledges and agrees that it has conducted its own investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Company, and acknowledges that it has been provided access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. Each Lender acknowledges and agrees that: (i) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, such Lender has relied solely upon its own investigation and the express representations and warranties of the Company set forth in Section 2 of this Agreement and disclaims reliance on any other representations and warranties of any kind or nature, express or implied (including any relating to the future or historical financial condition, results of operations, assets or liabilities or prospects of the Company), and (ii) none of the Company stockholders, the Company or any other Person has made any representation or warranty as to a Company stockholder, the Company or the accuracy or completeness of any information regarding the Company furnished or made available to Lender and its representatives, except as expressly set forth in Section 2 of this Agreement.

(b) Each Lender acknowledges and agrees that, in connection with the due diligence investigation of the Company by such Lender and its Affiliates, stockholders, directors, officers, employees, agents, representatives or advisors, such Lender and its Affiliates, stockholders, directors, officers, employees, agents, representatives and advisors have received and may continue to receive after the date hereof from the Company and its Affiliates, stockholders, directors, officers, employees, consultants, agents, representatives and advisors certain estimates, projections, forecasts and other forward-looking information, as well as certain business plan information, regarding the Company and its businesses and operations. Each Lender hereby acknowledges that there are uncertainties inherent in attempting to make such estimates, projections, forecasts and other forward-looking statements, as well as in such business plans, and that such Lender will have no claim against any of the Company, or any of its Affiliates, stockholders, directors, officers, employees, consultants, agents, representatives or advisors, or any other Person, with respect thereto, including as to the accuracy or completeness of any information provided. Accordingly, each Lender hereby acknowledges and agrees that, neither the Company, nor any of its Affiliates, stockholders, directors, officers, employees, consultants, agents, representatives or advisors has made or is making any express or implied representation or warranty with respect to such estimates, projections, forecasts, forward-looking statements or business plans.

9.20 Non-Recourse. Except in the case of claims against a Person in respect of such Person's Fraud:

(a) Solely with respect to the Company and each Lender, this Agreement or the transactions contemplated hereunder may only be enforced against, and any claim or cause of action based upon, arising out of, or related to this Agreement may only be brought against the Company or a Lender as named parties hereto.

(b) Except to the extent a named party hereto (and then only to the extent of the specific obligations undertaken by such named party hereto), (i) no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney, advisor or representative or Affiliate of the Company or a Lender and (ii) no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney, advisor or representative of any of the foregoing shall have any liability (whether in contract, tort, equity or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations or liabilities of any one or more of the Company or the Lenders under this Agreement for any claim based on, arising out of, or related to this Agreement or the transactions contemplated hereunder.

(*Remainder of Page Intentionally Left Blank; Signature Pages Follow*)

The Parties have executed this Note Purchase Agreement as of the date first written above.

COMPANY:

ILEARNINGENGINES INC.

By: _____

Name: P.K. Chidambaran
Title: Chief Executive Officer

The Parties have executed this Note Purchase Agreement as of the date first written above.

LENDER:

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBITS

Exhibit A – SCHEDULE OF LENDERS
Exhibit B – FORM OF NOTE
Exhibit C – FORM OF JOINDER TO REGISTRATION RIGHTS AGREEMENT

EXHIBIT A
SCHEDULE OF LENDERS

EXHIBIT B
FORM OF NOTE

EXHIBIT C
FORM OF JOINDER TO
REGISTRATION RIGHTS AGREEMENT

THESE SECURITIES AND THE SHARES ISSUABLE UPON CONVERSION HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT.

SUBORDINATED UNSECURED CONVERTIBLE PROMISSORY NOTE

$[●] [●], 2024

FOR VALUE RECEIVED, iLearningEngines, Inc., a Delaware corporation (the "***Company***"), hereby promises to pay to [●] (the "***Lender***"), the principal sum of $[●] (the "***Principal***"), together with interest thereon. This Subordinated Unsecured Convertible Promissory Note (this "***Note***") shall bear simple interest, accrued on a daily basis in arrears, (i) at a rate of fifteen percent (15%) per annum until aggregate accrued interest (whether repaid or not) equals 25% of the principal amount, and (ii) at a rate of eight percent (8%) per annum thereafter (the "***Interest Rate***"). This Note is issued pursuant to the terms of that certain Note Purchase Agreement, dated as of [●], 2024 (the "***Purchase Agreement***"), and is one of a group of subordinated unsecured convertible promissory notes of like tenor (each a "***Note***" and collectively, the "***Notes***"). Capitalized terms not elsewhere defined herein shall have the meanings set forth in Section 12, and if not defined herein, shall have the meanings set forth in the Purchase Agreement.

The indebtedness represented by this Note shall be expressly subordinated to any other indebtedness of the Company for money borrowed from commercial banks, equipment lessors or other financial institutions regularly engaged in the business of lending money that is secured by all or substantially all of the Company's assets (collectively, the "***Senior Debt***"). Promptly upon request by the Company, each Lender will execute and deliver to any holder of Senior Debt a customary subordination agreement.

1. Payments.

a. Subject to the provisions of Section 2 relating to the conversion of this Note, an amount equal to the sum of (i) the product of (x) the outstanding principal balance times (y) 2.75 plus (ii) and the unpaid accrued interest on this Note (the sum of clauses (i) and (ii), the "***Note Balance***") shall become immediately due and payable upon the earlier of the (1) Maturity Date and (2) occurrence of any Event of Default, in accordance with Section 4; provided that if repayment of this Note shall be prohibited by the terms of a subordination agreement, the Note Balance shall continue to accrue interest at the Default Rate from and after such earlier date.

b. Unless converted into Equity Securities or SPAC Shares pursuant to the terms hereof, all payments due pursuant to the terms of this Note shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Lender may from time to time designate in writing to the Company. All Notes outstanding under the Purchase Agreement shall rank equally without preference or priority of any kind with respect to one another, and all payments with respect to any of the Notes that have not been converted shall be applied ratably in proportion to the Investment Amounts represented thereby. At any time prior to the Maturity Date, the Company may redeem any Note for a payment in cash equal to the Note Balance. All payments under this Note shall be credited first to the accrued interest then due and payable, and the remainder shall be applied to the outstanding principal balance under this Note.

c. Unless earlier converted into Equity Securities or SPAC Shares pursuant to the terms hereof, in the event of a Liquidation Event or upon the receipt by the Lender of a notice of prepayment from the Company (such notice to be delivered by the Company at least two (2) Business Days prior to such prepayment), in each case, prior to repayment in full or cancellation or conversion of this Note, immediately prior to such Liquidation Event or following receipt of such notice, as applicable, the Company shall redeem this Note for an amount of cash equal to the Note Balance. All interest on this Note shall be deemed to have stopped accruing as of a date selected by the Company that is up to three (3) days prior to the signing of the definitive agreement for, or the consummation of, such Liquidity Event.

2. Conversion.

a. Upon the occurrence of the Equity Financing, Lender shall elect to (i) convert, in whole, this Note into the number of shares of Equity Securities issued in such Equity Financing equal to (x) the Note Balance divided by the Equity Price in such Equity Financing, or (ii) keep this Note outstanding. Upon conversion of this Note pursuant to this Section 2a, the Lender shall execute and deliver the Equity Financing Agreements (in the Lender's capacity as an equity investor) to the Company. Upon conversion of this Note pursuant to this Section 2a, the Lender shall thereupon receive all of the rights, preferences and privileges granted to other investors in such Equity Financing. The Company shall deliver to Lender notice of the Equity Financing at least five (5) business days prior to the initial closing thereof. If, prior to the initial closing of such Equity Financing, Lender has not delivered an irrevocable notice to the Company electing to convert this Note, in whole, then Lender shall have been deemed to have elected to keep this Note outstanding. The right of Lender to elect to convert the Note pursuant to this Section 2a shall terminate immediately following the Equity Financing, and Lender shall not be entitled to convert this Note at any subsequent Equity Financing.

b. Immediately prior to the consummation of a Qualified de-SPAC Transaction, each Note shall automatically, without any further action by the Lender, convert, in whole, into shares of common stock of the Company thereby entitling the Lender to receive a number of SPAC Shares (rounded down to the nearest whole share) equal to the Note Balance, *divided by* $10.00, and the Company shall ensure that the Lender receives in such transaction SPAC Shares as merger consideration pursuant to the De-SPAC Combination Agreement on the same basis as other holders of the Company's capital stock. Upon conversion of this Note pursuant to this Section 2b and subject to Section 2d, the Lender shall thereupon receive all of the rights, preferences and privileges granted to other recipients of SPAC Shares (in their capacity as holders of the Company's capital stock) in the Qualified de-SPAC Transaction. The Lender shall execute and deliver a lock-up or market-standoff agreement to the combined company in such Qualified de-SPAC Transaction, in the same form as the other stockholders of the Company (including agreeing to any lock-up or market-standoff provisions contained in the bylaws of the combined company in such Qualified de-SPAC Transaction).

c. No fractional shares of the Company's capital stock will be issued upon the conversion of this Note. In lieu of any fractional share to which the Lender would otherwise be entitled, the Company will pay to the Lender in cash the amount of the unconverted principal and interest balance of this Note that would otherwise be converted into such factional share. Upon the conversion of this Note the Company will, at its sole cost and expense and as soon as practicable thereafter, issue and deliver to the Lender a certificate or certificates for the shares to which Lender is entitled upon such conversion, together with any other securities and property to which the Lender is entitled upon such conversion under the terms of this Note, including a check payable to the Lender for any cash amounts payable as described herein. Upon conversion of the principal amount of this Note into the Equity Securities, any interest accrued on this Note that is not by reason of this Section 2 simultaneously converted into such equity securities shall be immediately paid to the Lender. All interest on this Note shall be deemed to have stopped accruing as of a date selected by the Company that is up to five (5) business days prior to the (i) signing of the definitive agreement for an Equity Financing or (ii) consummation of the Qualified de-SPAC Transaction in which this Note shall convert in accordance with this Section 2.

d. Notwithstanding anything herein to the contrary, none of the SPAC Shares to be issued upon conversion of this Note (whether directly in a de-SPAC Transaction pursuant to Section 2b or indirectly upon conversion of the Equity Securities issued pursuant to Section 2a in connection with a de-SPAC Transaction) shall be registered for primary issuance pursuant to a Registration Statement on Form S-4 or Form F-4 (as applicable) in connection with any de-SPAC Transaction.

3. Events of Default. The occurrence of any of the following shall constitute an "***Event of Default***" under this Note:

a. Failure to Pay or Deliver. The Company shall fail to (i) pay any principal, interest or other amounts payable hereunder upon the Maturity Date or (ii) deliver Equity Securities or cause to be delivered SPAC Shares upon conversion pursuant to Section 2; and in each case, such payment or delivery shall not have been made within ten (10) business days of the Company's receipt of written notice of such failure to pay or deliver;

b. Voluntary Bankruptcy or Insolvency Proceedings. The Company shall (i) apply for, or consent to, the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its or any of its creditors, (iii) be dissolved or liquidated, or (iv) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it; or

c. Involuntary Bankruptcy or Insolvency Proceedings. A proceeding for the appointment of a receiver, trustee, liquidator or custodian of the Company, or of all or a substantial part of the property thereof, or an involuntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and such proceeding shall not be dismissed or discharged within sixty (60) days of commencement.

4. Rights of the Lender Upon Default; Default Rate. Upon the occurrence of any Event of Default (other than an Event of Default described in Sections 3b or 3c) and at any time thereafter during the continuance of such Event of Default, the Lender may by written notice to the Company declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Sections 3b or 3c, immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, the Lender may exercise any other right, power or remedy otherwise permitted to it by law, either by suit in equity or by action at law, or both. All Obligations shall bear interest, from and after the occurrence and during the continuance of an Event of Default (excluding, for the avoidance of doubt, any applicable grace or cure period), at a rate equal to the lesser of (a) twenty percent (20%) per annum or (b) the highest rate allowed by applicable law (the "***Default Rate***"). For the purposes of this Section 4, "***Obligations***" shall mean and include all loans, advances, debts, liabilities and obligations owed by the Company to Lender now existing or hereafter arising under or pursuant to the terms of this Note, including without limitation, the Note Balance, collection costs and expenses, and attorneys' fees and costs chargeable to and payable by the Company hereunder, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

5. Governing Law. This Note shall be governed by and construed under the laws of the State of Delaware, without giving effect to conflicts of laws principles.

6. Amendments; Waivers. The Majority Holders may amend or waive the observance of any provision of all then-outstanding Notes, including this Note, on behalf of all Lenders, with the consent of the Company, but without the consent of each affected Lender; *provided however*, that no such amendment or waiver shall reduce the principal amount of any Note or reduce the Interest Rate of any Note, in each case, without the affected Lender's written consent. The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

7. Usury. In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the outstanding principal of this Note.

8. Issuance of Valid Note.

a. Transferable Record. The Company has signed this electronically created Note using an Electronic Signature (as defined below). By doing this, the Company is indicating that the Company agrees to the terms of this Note. This Note may be Authenticated, Stored and Transmitted by Electronic Means (as defined below), and will be valid for all legal purposes, as set forth in the Uniform Electronic Transactions Act, as enacted in California ("***UETA***"), the Electronic Signatures in Global and National Commerce Act ("***E-SIGN***"), or both, as applicable. In addition, this Note will be an effective, enforceable and valid Transferable Record (as defined below) and may be created, authenticated, stored, transmitted and transferred in a manner consistent with and permitted by the Transferable Records sections of UETA or E-SIGN.

b. Holder Registry. The identity of the Lender and any person to whom this Note is later transferred will be recorded in a registry maintained by or on behalf of the Company or in another registry to which the records are later transferred (the "***Lender Registry***"). After issuance of this Note, but prior to registration of this Note in the Lender Registry, the authoritative copy of this Note will be the copy identified by the Lender. If this Note has been registered in the Lender Registry, then the authoritative copy will be the copy identified by the Lender of record in the Lender Registry. The current identity of the Lender and the location of the authoritative copy, as reflected in the Lender Registry, will be available from the Lender. The only copy of this Note that is the authoritative copy is the copy that is within the control of the person identified as the Lender in the Lender Registry (or that person's designee). No other copy of this Note may be the authoritative copy.

c. Counterparts. This Note may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9. Covenants.

a. Further Assurances. The Company and Lender shall execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further assurances and other agreements or instruments, and take or cause to be taken all such other action, as shall be reasonably necessary from time to time to give full effect to this Note and the obligations hereunder.

b. Maintenance of Existence. While this Note is outstanding, the Company shall preserve, renew and maintain in full force and effect its corporate or organizational existence and take all reasonable action to maintain all rights and privileges necessary or desirable in the ordinary course of business except as would not have a material adverse effect. While this Note is outstanding, the Company shall not, without obtaining the prior written consent of the Majority Holders, liquidate, dissolve or wind-up the business and affairs of the Company.

10. Tax Treatment. The Company and the Lender intend that this Note, upon issuance, be treated as stock of the Company for U.S. federal income tax purposes. The Company and the Lender agree to not take any position inconsistent with the foregoing intended tax characterization of this Note on any tax return, in any administrative or judicial proceeding relating to taxes, or otherwise, unless required by a final determination of the Internal Revenue Service or other applicable income tax authority.

11. Withholding. Notwithstanding anything to the contrary herein, the Company and any other applicable withholding agent shall be entitled to deduct and withhold from any amount payable pursuant to this Note such taxes that are required to be deducted or withheld from such amount under any applicable tax law. To the extent that any taxes are so deducted or withheld, such taxes shall be (a) timely remitted to the appropriate tax authority and (b) if so remitted, treated for all purposes of this Note as having been paid to the Person in respect of which such deduction or withholding was made.

12. Defined Terms.

a. "***Affiliate***" means with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For purposes of this definition, "control" (including the terms "controlling" and "controlled") means the power to direct or cause the direction of the management and policies of a Person, directly or indirectly, whether through the ownership of equity interests, by contract or otherwise.

b. "***Authenticated, Stored and Transmitted by Electronic Means***" means that this Note will be identified as the Note that the Company signed, saved, and sent using electrical, digital, wireless, or similar technology.

c. "***de-SPAC Transaction***" means a business combination (in the form of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination) of the Company with a blank check company listed on the New York Stock Exchange, Nasdaq or other nationally recognized securities exchange and formed for the purpose of effecting a business combination (in the form of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination) (such entity, a "***SPAC***").

d. "***Electronic Record***" means a record created, generated, sent, communicated, received, or stored by electronic means.

e. "***Electronic Signature***" means an electronic symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign a record.

f. "***Equity Financing***" means the first closing following the date of the Purchase Agreement in which the Company issues and sells shares of its capital stock to investors for bona fide capital raising purposes.

g. "***Equity Financing Agreements***" means the agreements executed and delivered by cash investors in an Equity Financing.

h. "***Equity Price***" means the lowest price at which a single share of the Equity Securities is sold to cash investors in the initial closing of the Equity Financing.

i. "***Equity Securities***" means capital stock of the Company, including any class or series of common stock or preferred stock of the Company, that is issued and sold to cash investors in the Equity Financing.

j. "***Investment Amount***" means the dollar amount committed by a given Lender and set forth opposite such Lender's name on the Schedule of Lenders attached as Exhibit A to the Purchase Agreement.

k. "***Liquidation Event***" means any of the following events:

i. a merger or consolidation in which (A) the Company is a constituent party or (B) a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except any merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation;

ii. (A) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or (B) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except in each case of clauses (A) or (B), where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company; or

iii. a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Company shares representing more than 50% of the outstanding voting power of the Company.

l. "***Maturity Date***" means the date that is thirty (30) months after the Initial Closing Date.

m. "***Person***" means an individual, corporation, general partnership, limited partnership, limited liability company, joint venture, trust, business trust, association, joint stock company, governmental authority, unincorporated organization, or other legal entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

n. "***Qualified de-SPAC Transaction***" shall mean a de-SPAC Transaction pursuant to the De-SPAC Combination Agreement.

o. "***Record***" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

p. "***SPAC Shares***" means common stock of a SPAC issued or otherwise paid to the Company's equityholders in connection with a de-SPAC Transaction.

q. "***Transferable Record***" means an electronic Record that: (A) would be a note under Article 3 of the Uniform Commercial Code if the electronic record were in writing and (B) the Company, as the issuer, has agreed is a Transferable Record.

(*Remainder of Page Intentionally Left Blank; Signature Pages Follow*)

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

ILEARNINGENGINES, INC.

By: _____
Name:
Title:

ACCEPTED AND AGREED:

LENDER:

By: _____
Name:
Title:

Exhibit 10.30

SUBORDINATION AGREEMENT
(iLearningEngines Inc.)

This Subordination Agreement (this **"Agreement"**), dated as of [●], is among each of the undersigned persons and entities (each a **"Junior Lender"** and collectively, the **"Junior Lenders"**), on the one hand, and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc. (individually and collectively, **"Senior Lender"**), on the other hand.

Recitals

A. Each Junior Lender is interested in the financial success of iLearningEngines Inc., a Delaware corporation (**"Debtor"**), and acknowledges that Senior Lender entered into certain financing arrangements with Debtor, including the Loan Agreements (as defined below). Each Junior Lender has advanced or desires to advance certain funds to Debtor to purchase a Subordinated Note (as defined below).

B. Each Junior Lender agrees that the financing arrangements between Senior Lender and Debtor are in Debtor's and such Junior Lender's best interests, and in order to enable Debtor to issue the Subordinated Notes to the Junior Lenders in compliance with Debtor's covenants to Senior Lender under the Loan Agreements, each Junior Lender agrees as follows:

1. The term **"Obligations"** is used in this Agreement in its broadest and most comprehensive sense and shall mean all present and future indebtedness of Debtor which may be, from time to time, incurred by Debtor, including, but not limited to, any negotiable instruments evidencing the same, all guaranties, debts, demands, monies, indebtedness, liabilities and obligations owed or to become owing, including interest, principal, costs, and other charges, and all claims, rights, causes of action, judgments, decrees, remedies, or other obligations of any kind whatsoever and howsoever arising, whether voluntary, involuntary, absolute, contingent, direct, indirect, or by operation of law.

2. The term **"Junior Lender Obligations"** shall mean all Obligations owing at any time by Debtor to the Junior Lenders, including, without limitation, Obligations pursuant to those certain Subordinated Unsecured Convertible Promissory Notes (as the same may be amended, restated, supplemented, extended, renewed or otherwise modified from time to time, each individually, a **"Subordinated Note"** and collectively, the **"Subordinated Notes"**) issued from time to time pursuant to that certain Convertible Note Purchase Agreement, dated as of March 21, 2024, among Debtor and the Junior Lenders (as the same has been and may be amended, restated, supplemented, extended, renewed or otherwise modified from time to time, collectively, the "**NPA**"), and any agreement or instrument made in connection therewith (other than any warrant or shares of capital stock issued by Debtor to any Junior Lender). Notwithstanding anything provided for herein, the definition of Junior Lender Obligations shall not include or apply, in any respect, to (i) the conversion of any Subordinated Note into capital stock of Debtor or any term of such conversion, or the exercise or conversion of any warrant issued to a Junior Lender in connection with the Subordinated Notes or any agreement or instrument made in connection therewith, (ii) any rights or remedies of any Junior Lender as a stockholder of Debtor or any exercise thereof, or (iii) any dividends or payments made by Debtor and received by any Junior Lender, in its capacity as a stockholder of Debtor, to the extent that such dividend or payment is permitted under that certain: (a) Loan and Security Agreement, dated as of December 30, 2020, or any of the Loan Documents (as defined therein) executed and delivered in connection therewith, or any amendment, supplement, modification, extension or restatement thereof (as the same have been and may be amended, restated, supplemented, extended, renewed or otherwise modified from time to time, collectively, the **"2020 Loan Agreement"**); (b) Loan and Security Agreement, dated as of October 21, 2021, or any of the Loan Documents (as defined therein) executed and delivered in connection therewith, or any amendment, supplement, modification, extension or restatement thereof (as the same have been and may be amended, restated, supplemented, extended, renewed or otherwise modified from time to time, collectively, the **"2021 Loan Agreement";** and (c) any other loan and security agreement that may be entered into between the Debtor and the Senior Lender or any related instruments, documents, certificates or other agreements entered into in connection therewith, or any amendment, supplement, modification, extension or restatement thereof (as the same have been and may be amended, restated, supplemented, extended, renewed or otherwise modified from time to time, collectively, the "**Future Loan Agreements**" and sometimes referred to herein with the 2020 Loan Agreement and 2021 Loan Agreement, individually, as a **"Loan Agreement"** and together, as the **"Loan Agreements"**).

3. The Junior Lender Obligations are hereby subordinated in right of payment and lien priority and subject, in the manner and to the extent described below, to any and all Obligations owed by Debtor to Senior Lender pursuant to the Loan Agreements and the Obligations thereunder (collectively, **"Senior Lender Obligations"**), so long as any Senior Lender Obligations shall remain unpaid, in whole or in part, or Senior Lender is committed or otherwise obligated to extend credit to Debtor under a Loan Agreement. Notwithstanding anything provided for herein, the definition of Senior Lender Obligations shall not include or apply, in any respect, to (i) the exercise or conversion of any warrant issued by Debtor pursuant to a Loan Agreement, (ii) any rights or remedies of Senior Lender (or its parent company) as a stockholder, warrant holder or security holder of Debtor or any exercise thereof, or (iii) any dividends or payments made by Debtor and received by Senior Lender (or its parent company), in its capacity as a stockholder of Debtor.

4. So long as any of the Senior Lender Obligations remain unpaid, in whole or in part, or so long as Senior Lender is committed or otherwise obligated to extend credit to Debtor under a Loan Agreement, each Junior Lender agrees that such Junior Lender shall not: (i) accelerate the Junior Lender Obligations (other than an acceleration following the acceleration of the Senior Lender Obligations); (ii) collect, or receive payment upon, by setoff or in any other manner, all or any portion of the Junior Lender Obligations now or hereafter existing; (iii) sell, assign, transfer, pledge, or give a security interest in the Junior Lender Obligations (except subject expressly to this Agreement); (iv) enforce or apply any security, now or hereafter existing for the Junior Lender Obligations; (v) commence, prosecute or participate in any administrative, legal, or equitable action against Debtor concerning the Junior Lender Obligations; (vi) join in any petition for bankruptcy, assignment for the benefit of creditors, or creditors' agreement; (vii) take, maintain or enforce any lien or security, which is senior to Senior Lender's interest, in any property, real or personal, to secure the Junior Lender Obligations; or (viii) receive any loans, advances, dividends, payments of any kind or gifts from, Debtor with respect to the Junior Lender Obligations; provided, however, that this Section 4 shall not apply to (A) any filing by any Junior Lender of any proof of claim or any other similar filing or action to protect such Junior Lender's rights in bankruptcy, or (B) any action by Debtor or any Junior Lender that results solely in the issuance and/or receipt of capital stock or other equity security of Debtor and cash in lieu of fractional shares.

5. All Liens (hereinafter defined) now or hereafter existing of the Junior Lenders in respect of the Junior Lender Obligations or in respect of any future Obligations of Debtor to the Junior Lenders shall be subject, subordinate and junior in all respects and at all times to the Liens now or hereafter existing of Senior Lender, regardless of the time or order of attachment or perfection of such Liens, the time or order of filing of financing statements or other instruments. **"Liens"** means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and the filing of any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the Uniform Commercial Code (**"UCC"**) or comparable law of any jurisdiction. Each Junior Lender hereby further covenants and agrees to execute and deliver to Senior Lender, promptly following a request therefor, appropriate UCC termination statements or partial releases, control agreement termination notices or other documents and instruments necessary to terminate or release any Lien with respect to any of Debtor's assets being sold or otherwise disposed of by Senior Lender in connection with the liquidation of Debtor's assets in accordance with the terms of this Agreement and the applicable Loan Agreement.

6. All of the Senior Lender Obligations now or hereafter existing shall be first paid by Debtor before any payment shall be made by Debtor on the Junior Lender Obligations. This priority of payment shall apply at all times until all of the Senior Lender Obligations have been repaid in full. In the event of any assignment by Debtor for the benefit of Debtor's creditors, any bankruptcy proceedings instituted by or against Debtor, the appointment of any receiver for Debtor or Debtor's business or assets, or any dissolution or other winding up of the affairs of Debtor or of Debtor's business, and in all such cases, the officers of Debtor and any assignee, trustee in bankruptcy, receiver or other person or persons in charge, respectively, are hereby directed to pay to Senior Lender the full amount of the Senior Lender Obligations before making any payments to the Junior Lenders.

7. Each Junior Lender agrees that if part or all of the Junior Lender Obligations are evidenced, now or in the future, by any promissory notes, including the Subordinated Notes, or other debt instrument, such Junior Lender shall place or cause to be placed on its face a legend stating that the payment thereof is subject to the terms of this Agreement. Each Junior Lender agrees to mark all books of account in such manner as to indicate that payment thereof is subordinated pursuant to the terms of this Agreement. Each Junior Lender agrees to execute any recordable subordination agreements, financing statement amendments or other documents reasonably required by Senior Lender to provide notice to others of this Agreement, and agrees to the recording of any such documents as Senior Lender may reasonably require.

8. Each Junior Lender agrees that Senior Lender shall have absolute power and discretion, without notice to such Junior Lender, to deal in any manner with the Senior Lender Obligations, including interest, costs and expenses payable by Debtor to Senior Lender, and any security and guaranties therefor including, but not limited to, release, surrender, extension, renewal, acceleration, compromise, or substitution. Each Junior Lender hereby waives and agrees not to assert against Senior Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall constitute any Junior Lender a guarantor or surety; provided, however, that, for the avoidance of doubt, subject to the prior payment and performance in full of the Senior Lender Obligations, each Junior Creditor shall have, and may exercise, any rights that it may acquire by way of subrogation under this Agreement, by any payment or distribution to Senior Lender hereunder or otherwise. Each Junior Lender hereby waives the right, if any, to require that Senior Lender marshal, or otherwise proceed to dispose of or foreclose upon, collateral that Senior Lender may have in any manner or order.

9. If, at any time hereafter, Senior Lender shall, in its own judgment, determine to discontinue the extension of credit to or on behalf of Debtor, Senior Lender may do so (in accordance with the terms of the applicable Loan Agreement). This Agreement, the obligations of the Junior Lenders owing to Senior Lender, and Senior Lender's rights and privileges hereunder shall continue until payment in full of all of the Senior Lender Obligations notwithstanding any action or non-action by Senior Lender with respect to the Senior Lender Obligations or with respect to any collateral therefor or any guaranties thereof.

10. Except as otherwise expressly agreed to herein, if any Junior Lender shall receive any payments, security interests, or other rights in any property of Debtor in violation of this Agreement, such payment or property shall be received by such Junior Lender in trust for Senior Lender and shall forthwith be delivered and transferred to Senior Lender.

11. Each Junior Lender represents and warrants that such Junior Lender has not previously subordinated the Junior Lender Obligations for the benefit of any other party, and agrees that any such subordinations hereafter executed shall be expressly made subject and subordinate to the terms of this Agreement. Each Junior Lender further warrants having established with Debtor adequate means of obtaining, on an ongoing basis, such information as such Junior Lender may require which may affect the ultimate satisfaction by Debtor of the Junior Lender Obligations. Senior Lender shall have no duty to provide any such information to such Junior Lender.

12. For so long as any of the Senior Lender Obligations remain unpaid, each Junior Lender irrevocably appoints Senior Lender as such Junior Lender's attorney-in-fact, and grants to Senior Lender a power of attorney with full power of substitution, in the name of such Junior Lender or in the name of Senior Lender, for the use and benefit of Senior Lender, without notice to the Junior Lenders, to perform at Senior Lender's option the following acts in any bankruptcy, insolvency or similar proceeding involving Debtor: (a) to file the appropriate claim or claims in respect of the Junior Lender Obligations on behalf of any Junior Lender if such Junior Lender does not do so prior to 10 days before the expiration of the time to file claims in such proceeding and if Senior Lender elects, in its sole discretion, to file such claim or claims; and (b) to accept or reject any plan of reorganization or arrangement for such Junior Lender and vote such Junior Lender's claims in respect of the Junior Lender Obligations in any way Senior Lender deems appropriate for the enforcement of Senior Lender's rights under this Agreement if Junior Lender fails to vote with respect to such matter at least three (3) days before the expiration of the time to do so; provided, however, that notwithstanding the foregoing, no Junior Lender shall vote such claim or claims in any manner inconsistent with the subordination terms of this Agreement, including without limitation the Junior Lender Obligations being subject to the prior payment in full of the Senior Lender Obligations; provided, further, however, that such rights of Senior Lender shall automatically terminate in the event that the Senior Lender Obligations are discharged in whole.

13. This Agreement shall be binding upon the successors and assigns of the Junior Lenders, and shall inure to the benefit of the respective successors and assigns of Senior Lender. SENIOR LENDER AND THE JUNIOR LENDERS ACKNOWLEDGE AND AGREE THAT IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TERMS OF THIS AGREEMENT, ON THE ONE HAND, AND THE TERMS OF THE NPA, THE SUBORDINATED NOTES OR ANY OTHER DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THE JUNIOR LENDER OBLIGATIONS, ON THE OTHER HAND, THE TERMS OF THIS AGREEMENT SHALL CONTROL.

14. This Agreement and all rights and liabilities of the parties hereto shall be governed as to validity, interpretation, enforcement and effect by the laws of the State of California without regard to its conflicts of laws principles. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

15. In the event of any dispute under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs whether or not suit is brought.

16. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of (i) Senior Lender (ii) the Junior Lenders holding a majority of the outstanding aggregate indebtedness under the Subordinated Notes and (iii) Arrowroot Capital IV, L.P., a Delaware limited partnership. Any amendment or waiver effected in accordance with this Section 16 shall be binding upon Senior Lender, each Junior Lender and Debtor. Notwithstanding anything herein to the contrary, if additional parties purchase Subordinated Notes pursuant to the NPA, then each such additional party shall become a party to this Agreement as a "Junior Lender" hereunder, without the need for any consent, approval or signature of any Junior Lender hereunder when such additional party has executed a counterpart signature page to this Agreement as a "Junior Lender."

17. Subject to the execution and delivery of this Agreement by Senior Lender, the Junior Lenders and Debtor, Senior Lender hereby (i) authorizes, consents to, ratifies and approves Debtor's execution and delivery of all documents pursuant to the Junior Lender Obligations, including the Subordinated Notes, the NPA, any warrants issued to a Junior Lender in connection with the Subordinated Notes, any Liens granted to or in favor of the Junior Lenders, and all actions of Debtor in connection with the Junior Lender Obligations and Debtor's entering into the transactions contemplated by the Junior Lender Obligations, and (ii) agrees that the Junior Lender Obligations shall be indebtedness permitted under Section 6.1 of each Loan Agreement.

[*Remainder of this page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Subordination Agreement to be executed as of the date first above written.

SENIOR LENDER:

VENTURE LENDING & LEASING IX, INC.

By: _____
Name:
Title:

WTI FUND X, INC.

By: _____
Name:
Title:

[Signature pages of Junior Lenders follow]

OMNIBUS SIGNATURE PAGE TO

ILEARNINGENGINES INC.

SUBORDINATION AGREEMENT

The undersigned hereby executes and delivers the Subordination Agreement (the "Agreement") to which this signature page is attached, which, together with all counterparts of the Agreement and signature pages of the other parties named in such Agreement, shall constitute one and the same document in accordance with the terms of the Agreement.

Legal Name of Junior Lender: _____

Signature of Individual Signing on behalf of Junior Lender: _____

Print Name: _____

Title: _____

Address of Junior Lender: _____
_____

Phone: _____

E-mail: _____

Acknowledgment and Consent of Debtor

The undersigned, being the Debtor named in the foregoing Agreement, hereby accepts and consents to such Agreement, and agrees to be bound by all of the provisions thereof and to recognize all priorities and other rights granted thereby to Senior Lender and to pay its Obligations only in accordance therewith. Debtor hereby ratifies, confirms and reaffirms all representations, warranties and covenants contained in the 2021 Loan Agreement.

Dated: _____, 2024

ILEARNINGENGINES INC.

By: _____
Name:
Title:

Exhibit 10.31

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT (INDICATED BY "[***]") BECAUSE ILEARNINGENGINES, INC. HAS DETERMINED SUCH INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

LOAN AND SECURITY AGREEMENT

by and among

EAST WEST BANK, as Agent,

the lenders party hereto from time to time, and

ILEARNINGENGINES HOLDINGS, INC., as Borrower,

Dated as of April 17, 2024

Loan Number: [***]
Cost Center: [***]

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This LOAN AND SECURITY AGREEMENT (as amended, modified or supplemented from time to time, this "Agreement"), dated as of April 17, 2024, is entered into by and between ILEARNINGENGINES HOLDINGS, INC., a Delaware corporation ("Borrower"), the financial institutions from time to time party to this Agreement (collectively, "Lenders" and, individually, each a "Lender"), and EAST WEST BANK, a California banking corporation, as collateral agent and administrative agent for Lenders (in such capacity, "Agent").

RECITALS

Borrower wishes to obtain credit from time to time from Lenders, and Lenders desire to extend credit to Borrower. This Agreement sets forth the terms on which Lenders will extend credit to Borrower, and Borrower will repay the amounts owing to Lenders.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1. Definitions. As used in this Agreement, capitalized terms shall have the respective meanings set forth on Exhibit A. The terms "Account Debtor," "Chattel Paper," "Commercial Tort Claims," "Control," "Control Agreement," "Deposit Accounts," "Documents," "Electronic Chattel Paper," "Fixtures," "General Intangibles," "Goods," "Instruments," "Inventory," "Investment Property," "Letter-of-Credit Right," "Proceeds," "Security Certificate," "Intangible Chattel Paper," and any other term defined in the UCC and used herein without definition shall have the respective meanings given to such terms in the UCC.

1.2. Accounting Terms. Any accounting term not specifically defined on Exhibit A shall be construed in accordance with GAAP, and all financial covenant calculations shall be made in accordance with GAAP. The term "financial statements" shall include the accompanying notes and schedules. Notwithstanding anything to the contrary contained in this Agreement, all obligations that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the "ASU") shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of the Loan Documents (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in the financial statements to be delivered pursuant to the Loan Documents.

1.3. Other Definitional Terms; Rules of Interpretation. 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. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including". References to Sections, subsections, Exhibits, Schedules and the like, are to Sections and subsections of, or Exhibits or Schedules attached to, this Agreement unless otherwise expressly provided. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Unless the context in which used herein otherwise clearly requires, "or" has the inclusive meaning represented by the phrase "and/or." Defined terms include in the singular number the plural and in the plural number the singular. Reference to any agreement (including the Loan Documents), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof (and, if applicable, in accordance with the terms hereof and the other Loan Documents), except where otherwise explicitly provided, and reference to any promissory note includes any promissory note which is an extension or renewal thereof or a substitute or replacement therefor. Reference to any law, rule, regulation, order, decree, requirement, policy, guideline, directive or interpretation means as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect on the determination date, including rules and regulations promulgated thereunder.

2. LOAN AND TERMS OF PAYMENT.

2.1. Credit Extensions.

(a) Promise to Pay. Borrower hereby unconditionally promises to pay to Agent for the benefit of Lenders, in lawful money of the United States of America, the aggregate unpaid principal amount of all Credit Extensions made by Lenders to Borrower, together with accrued and unpaid interest on the unpaid principal amount of such Credit Extensions at the rates set forth herein, and all other Obligations owing by Borrower to Lenders, in each case as and when due in accordance with the terms hereof.

(b) Revolving Advances.

(i) Amount; Principal and Interest Payments. Subject to and upon the terms and conditions of this Agreement, Borrower may request, and Lenders severally agree to make to Borrower, loans on a revolving credit basis (each a "Revolving Advance" and collectively the "Revolving Advances") in an aggregate outstanding original principal amount for all Lenders at any time not to exceed the Revolving Line; provided that, as of the Closing Date and at all times thereafter through the earlier of (i) the Revolving Maturity Date and (ii) repayment in full of the Obligations (other than inchoate indemnity obligations for which no claim has been made) and termination of this Agreement, Borrower shall maintain an aggregate balance of outstanding Revolving Advances of at least 15.00% of the Maximum Revolving Advances Limit . Amounts borrowed pursuant to this Section 2.1(b) may be repaid and reborrowed at any time, from time to time, without penalty or premium prior to the Revolving Maturity Date, at which time all outstanding Revolving Advances under this Section 2.1(b) together with all accrued but unpaid interest and fees thereon shall be immediately due and payable. If an Overadvance occurs on any date or for any reason, Borrower shall immediately pay to Agent, for the benefit of Lenders, upon Agent's election and demand, in cash, the amount of such Overadvance, which Agent shall use to repay the outstanding Revolving Advances. Interest shall accrue from the date of each Revolving Advance at the rate specified in Section 2.2(a)(i) and shall be payable in accordance with Section 2.2(c).

(ii) Form of Revolving Advance Request; Lender Funding of Revolving Advances. Whenever Borrower desires a Revolving Advance, Borrower will give the Agent irrevocable notice by e-mail transmission or telephone no later than 9:00 a.m., Pacific time, on the Business Day that the Revolving Advance is to be made. Each such notification shall be promptly confirmed by a Payment/Advance Form in substantially the form of Exhibit C and delivered by a Responsible Officer. Agent shall promptly notify each Lender thereof on the date of receipt of such notice. On the proposed borrowing date, not later than 1:00 p.m., Pacific time, each Lender shall make available to the Agent the amount of such Lender's pro rata share of the aggregate borrowing amount (as determined in accordance with this Section 2.1(b)) in immediately available funds by wiring such amount to such account as the Agent shall specify. Agent and Lenders shall be entitled to rely on any e-mail or telephonic notice given by a person who Agent and/or Lender reasonably believes to be a Responsible Officer or a designee thereof, and Borrower shall indemnify and hold Agent and Lenders harmless for any damages or loss suffered by such Agent or Lender as a result of such reliance. Agent will credit the amount of Revolving Advances made under this Section 2.1(b) to a deposit account of the Borrower at the Agent as Borrower requests in writing; provided that such deposit account is subject to a perfected security interest in favor of the Agent for the benefit of the Lenders.

(iii) Disbursement of Proceeds of Revolving Advances. Borrower hereby irrevocably authorizes Agent to disburse the proceeds of each Revolving Advance requested by Borrower, or deemed to be requested by Borrower, in lawful money of the United States of America in immediately available funds, (A) in the case of the initial borrowing, in accordance with the terms of the written disbursement instructions from Borrower, and (B) in the case of each subsequent borrowing, by wire transfer or Automated Clearing House (ACH) transfer to such bank account as may be agreed upon by Borrower and Agent from time to time, or elsewhere if pursuant to a written direction from Borrower.

(iv) Defaulting Lenders. If and to the extent any Lender (a "Defaulting Lender") shall not have made its pro rata share of the Revolving Advance available to the Agent in immediately available funds as set forth in this Section 2.1(b) and the Agent in such circumstances has made available to Borrower such amount, that Agent shall, on the Business Day following the date of such Advance (the "Funding Date"), make such amount available to the Agent; provided that Agent shall be entitled to any interest applicable to such Advance for each day during such period. A notice submitted by the Agent to any Lender with respect to amounts owing under this subsection shall be conclusive, absent demonstrable error. If such amount is so made available, such payment to the Agent shall constitute such Defaulting Lender's Advance on the Funding Date of such Advance for all purposes of this Agreement. If such amount is not made available to the Agent on the Business Day following the Funding Date, the Agent will notify Borrower of such failure to fund and, upon demand by the Agent, Borrower shall pay such amount to the Agent for the Agent's account, together with interest thereon for each day elapsed since the Funding Date of such Advance, at a rate per annum equal to the interest rate applicable at the time to the Advances composing such Advance, without in any way prejudicing the rights and remedies of Borrower against such Defaulting Lender. The failure of any Lender to make any Advance on any Funding Date shall not relieve any other Lender of any obligation hereunder to make an Advance on such Funding Date, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on any Funding Date.

(c) [Reserved].

(d) Bank Products. Borrower may request, and Lenders or their respective affiliates may, in their sole and absolute discretion, provide, Bank Products. If Borrower requests Agent to procure or have Lenders provide Bank Products, then Borrower agrees to pay to Agent for the benefit of Lenders or their affiliates, as applicable, when due all indebtedness, liabilities and obligations with respect to Bank Products and further agrees to indemnify and hold each Lender and/or such affiliates harmless from any and all indebtedness, liabilities, obligations, losses, costs and expenses (including reasonable attorney's fees) now or hereafter owing to or incurred by such Lender (including those under agreements of indemnifications or assurances provided by such Lender to its affiliates) and/or its affiliates with respect to Bank Products, all as the same may arise. If Borrower shall not have paid to any Lender and/or its affiliates such amounts as the same may arise, such Lender may cover such amounts by a Revolving Advance, which Revolving Advance shall be deemed to have been requested by Borrower. Borrower acknowledges and agrees that (a) all indebtedness, liabilities and obligations with respect to Bank Products provided by any Lender or its affiliates, and all of its agreements under this Section 2.1(d), are part of the Obligations secured by the Collateral, and (b) the obtaining of Bank Products from any Lender or its affiliates, (i) is in the sole and absolute discretion of any such Lender and its applicable affiliates and (ii) is subject to all rules and regulations of any such Lender and its applicable affiliates.

(e) Evidence of Debt. Any promissory note evidencing a Credit Extension shall include the following legend: "This security is issued with "original issue discount" within the meaning of Section 1273(a) of the Code and Treasury Regulations Section 1.1273-1 for U.S. federal income tax purposes. A holder may obtain the issue price, amount of original issue discount, issue date, and yield to maturity for such security by submitting a request for such information to the Company at the following address: Harish Chidambaran, Chief Executive Officer, at 6701 Democracy Boulevard, Suite 300, Bethesda, MD 20817."

2.2. Interest Rates, Payments, and Calculations.

(a) Interest Rates. Except as set forth in Section 2.2(b), each Revolving Advance shall bear interest, on the outstanding daily balance thereof, at Adjusted Term SOFR for the applicable Interest Period Rate plus the Applicable Margin.

(b) Default Rate. All outstanding Obligations shall bear interest, at Bank's option, from and after the occurrence and during the continuance of an Event of Default, at a rate equal to two percent (2.00%) above the interest rate applicable immediately prior to the occurrence of the Event of Default, or such lesser amount Agent or the Required Lenders elect to impose from time to time in their sole discretion; provided, that in the case of an Event of Default under Section 8.1 or Section 8.6, such higher rate shall automatically apply without the need for Agent or the Required Lenders to make any election.

(c) Payments. Interest hereunder shall be due and payable on the first calendar day of each quarter during the term hereof. Agent shall, at its option, charge such interest, all Lender Expenses, all Periodic Payments and all other Obligations against any of Borrower's deposit accounts or against the Revolving Line, in which case those amounts shall thereafter accrue interest at the rate then applicable hereunder. Any interest not paid when due shall be compounded by becoming part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder.

(d) Application of Term SOFR to Outstanding Loans; Interest Periods; Computation of Interest and Fees.

(i) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) 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 any interest, fee, interest rate or amounts payable 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 2.4 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.

(ii) Borrower may on any Business Day, subject to delivery of a notice of continuation, elect to continue any Term SOFR Loan at the end of its Interest Period as a Term SOFR Loan.

(iii) Borrower shall give Agent a notice of continuation by 11:00 a.m. New York time at least three (3) Business Days before the requested continuation date. Each notice of continuation is irrevocable, and shall specify the amount of Loans to be continued, the continuation date (which shall be a Business Day), and the duration of the Interest Period (as defined below) (which shall be deemed to be one month if not specified). If, at expiration of an Interest Period for a Term SOFR Loan, Borrower has failed to deliver a notice of continuation, the Loan shall be deemed to be continued with an interest period of one month. 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 reference rate referred to herein 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 alternate, replacement or successor to such rate, or any component thereof, or the effect of any of the foregoing, or of any Conforming Changes. The Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrowers. Agent may select information source(s) in its discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate, or any component thereof, in each case pursuant to the terms hereof, and shall have no liability to Lender, Borrower or other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise, and whether at law or in equity) for any error or other act or omission related to or affecting the selection, determination or calculation of any rate (or component thereof) provided by such information source(s).

(iv) Borrower shall select an interest period ("Interest Period") of one or three months (in each case, subject to availability) to apply to each Term SOFR Loan; provided, that: (a) the Interest Period shall begin on the date the Loan is made or continued as, or converted into, a Term SOFR Loan, and shall expire one or three months thereafter, as applicable; (b) if any Interest Period begins on the last day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month at its end, or if such corresponding day falls after the last Business Day of the end month, then the Interest Period shall expire on the end 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; (c) no Interest Period shall extend beyond the Revolving Maturity Date; and (d) no tenor that has been removed from the definition of "Interest Rate" pursuant to 2.10 shall be available for specification in any notice of borrowing or notice of continuation.

2.3. Pro Rata Treatment and Payments. Each payment (including each prepayment) by the Borrower on account of fees, principal of and interest on the Credit Extensions shall be made by Agent pro rata according to the respective Revolving Advance Commitment Percentages then held by the Lenders. All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off, deduction or counterclaim and shall be made prior to 12:00 noon, Pacific time, on the due date thereof to the Agent, for the account of the Lenders. The Agent shall distribute such payments to the applicable Lenders promptly upon receipt in like funds as received. Except during the continuance of an Event of Default, Agent shall credit a wire transfer of funds, check or other item of payment to such deposit account or Obligation as Borrower specifies. After the occurrence and during the continuance of an Event of Default, Agent shall (except as otherwise directed by the Required Lenders) immediately apply any wire transfer of funds, check, or other item of payment Agent may receive to reduce Obligations in accordance with the terms of this Agreement (on a pro rata basis), but such applications of funds shall not be considered a payment on account unless such payment is of immediately available federal funds or unless and until such check or other item of payment is honored when presented for payment. Notwithstanding anything to the contrary contained herein, any wire transfer or payment received by Agent after 12:00 noon Pacific time shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day. Whenever any payment to Agent for the benefit of the Lenders under the Loan Documents would otherwise be due (except by reason of acceleration) on a date that is not a Business Day, such payment shall instead be due on the next Business Day, and additional fees or interest, as the case may be, shall accrue and be payable for the period of such extension.

2.4. Fees. Borrower shall pay to Agent, for the ratable benefit of each Lender having a commitment hereunder, the following, each of which shall be non-refundable when paid:

(a) Lender Expenses. (i) All Lender Expenses incurred through the Closing Date, and, (ii) after the Closing Date, all Lender Expenses, as and when requested by Agent. Lender Expenses due on the Closing Date may be paid by way of a Revolving Advance under the Revolving Line.

2.5. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, 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, Lender;

(ii) subject the Agent or any Lender to any Taxes (other than Indemnified Taxes and Excluded Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Revolving Advances made by Lender, and such Change in Law has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement, the commitments of Agent or the Revolving Advances made by Lender, to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to Lender, as the case may be, such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered. The agreements in this Section shall survive the termination of this Agreement and the payment of all Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations).

(b) If any Lender determines that any such Change in Law affecting such Lender or any lending office of such Lender or such Lender's 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 capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the commitments of such Lender or the Revolving Advances made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered. The agreements in this Section shall survive the termination of this Agreement and the payment of all Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations).

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, including a calculation of the amount in reasonable detail, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof. Any such certificate must be delivered within six (6) months after the incurrence by the Lender or its holding company, as the case may be, of the amounts set forth therein (except that, if such Change in Law giving rise to such amounts is retroactive, then the six (6) month period referred to herein shall be extended to include the period of retroactive effect thereof).

2.6. Illegality. If Agent determines that any applicable law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for and Agent or its applicable lending office to perform any of its obligations hereunder, to make, maintain, issue, fund or commit to, participate in, or charge applicable interest or fees with respect to any Revolving Advance or to determine or charge interest or fees based on SOFR or Term SOFR, then, on notice thereof by Agent to Borrower, (a) any obligation of Agent to perform such obligations, to make, maintain, issue, fund, commit to or participate in the Revolving Advance (or to charge interest or fees otherwise applicable thereto), or to continue or convert Revolving Advances as Term SOFR Loans, shall be suspended, (b) if such notice asserts the illegality of Agent to make or maintain Base Rate Loans whose interest rate is determined by reference to Term SOFR, the interest rate applicable to Lender's Base Rate Loans shall, as necessary to avoid such illegality, be determined by Agent without reference to the Term SOFR component of Base Rate, in each case until Agent notifies Borrower that the circumstances giving rise to Lender's determination no longer exist. Upon delivery of such notice, Borrower shall prepay or convert Term SOFR Loans of Agent to Base Rate Loans, either on the last day of the Interest Period therefor, if Agent may lawfully continue to maintain the Revolving Advance to such day, or immediately, if Agent cannot so maintain the Revolving Advance. Upon any prepayment or conversion of a Loan pursuant to this Section 2.6, Borrower shall also pay accrued interest on the amount so prepaid or converted.

2.7. Taxes.

(a) Withholding. Any and all payments by Borrower or on account of any obligation of Borrower hereunder or under any other Loan Document shall be made without reduction or withholding for any Indemnified Taxes, except as provided by applicable law; provided that, if Borrower shall be required by any applicable law (as determined in the good faith discretion of Borrower) to deduct or withhold any Tax from such payments, then: (i) if such Tax is an Indemnified Tax, the sum payable by Borrower shall be increased as necessary so that after such deductions or withholdings have been made (including such deductions applicable to additional sums payable under this Section 2.7(a)), Agent receives an amount equal to the sum it would have received had no such deductions for Indemnified Taxes been made; (ii) Borrower shall be entitled to make such deductions or withholdings; and (iii) Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Other Taxes. Without limiting the provisions of Section 2.7(a), Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or, at the option of Lender, timely reimburse it for the payment of such Other Taxes.

(c) Indemnity. The Loan Parties shall jointly and severally indemnify Lender, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.7) paid by Agent 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. A certificate as to the amount of such payment or liability delivered to Borrower by Agent shall be conclusive absent manifest error.

(d) Receipts. If requested in writing by Agent, Borrower shall deliver to Lender, as soon as practicable after any payment of Indemnified Taxes by Borrower to a Governmental Authority pursuant to this Section 2.7, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(e) Refunds. If Agent receives a refund of any Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 2.7, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 2.7 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of Agent and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that Borrower, upon the request of Lender, agrees to repay the amount paid over to Borrower pursuant to this Section 2.7(e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Agent in the event Agent is required to repay such refund to such Governmental Authority. This Section 2.7(e) shall not be construed to require Agent to make available its tax returns (or any other information relating to its taxes that it deems confidential) to Borrower or any other Person.

(f) Status of Lender.

(i) If Agent is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Agent shall deliver to Borrower, at the time or times reasonably requested by Borrower, such properly completed and executed documentation as will permit any payment to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower as will enable the Loan Parties to (i) determine whether or not Lender: (A) is subject to withholding (including backup withholding and withholding under FATCA) or information reporting requirements and (B) has complied with Lender's obligations under FATCA, and (ii) comply with the Loan Parties' obligations under FATCA. For purposes of the foregoing, "FATCA" shall include any amendments made to FATCA after the date hereof.

(ii) Without limiting the generality of Section 2.7(f)(i), on or about the date hereof and from time to time thereafter upon the reasonable request of Borrower, Agent shall deliver to Borrower an executed copy of IRS Form W-9 certifying that Agent is exempt from U.S. federal backup withholding tax. At the time of any transfer or assignment of Lender's rights under any Loan Document, and from time to time thereafter upon the reasonable request of Borrower, the transferee or assignee shall deliver to Borrower executed copies of IRS Form W-9 or the appropriate series of IRS Form W-8 and all required attachments thereto, and, in the case of any foreign transferee or assignee claiming the portfolio interest exemption, an executed certificate substantially in the form of Exhibit F-1, F-2, F-3, or F-4, as applicable.

(iii) If any form, certification, or documentation previously delivered by Agent to Borrower pursuant to this Section 2.7(f) expires or becomes obsolete or inaccurate in any respect, Agent or its transferee or assignee, as applicable, shall update such form, certification, or documentation or promptly notify Borrower in writing of its legal inability to do so.

(g) Each party's obligations under this Section 2.7 shall survive any assignment of rights by, or the replacement of, Lender, the termination of any Credit Extension, and the repayment, satisfaction, or discharge of all obligations under any Loan Document.

2.8. [Reserved].

2.9. Term. This Agreement shall become effective on the Closing Date and, subject to Section 12.8, shall continue in full force and effect for so long as any Obligations (other than inchoate indemnification or reimbursement obligations or other obligations which, by their terms, survive termination of this Agreement) remain outstanding or Lenders have any obligation to make Credit Extensions under this Agreement which obligation shall terminate on the Revolving Maturity Date. Notwithstanding the foregoing, Lenders shall have the right pursuant to Section 9.1(c) to terminate their obligation to make Credit Extensions under this Agreement immediately and without notice upon the occurrence and during the continuance of an Event of Default. Borrower may elect to terminate this Agreement at anytime upon five (5) days written notice subject to repayment in full of the Obligations (other than inchoate indemnity obligations for which no claim has been made).

2.10. Inability to Determine Rates and Benchmark Replacement Setting.

(a) Inability to Determine Rate. Subject to this Section 2.10, if, on or prior to the first day of any Interest Period for any Term SOFR Loan:

(i) Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof; or

(ii) Agent determines that for any reason in connection with any request for a Term SOFR Loan or a conversion thereto or a continuation thereof that Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to Agent of funding such Loan, the Agent will promptly so notify the Borrower;

(iii) then Agent shall give the Borrower prompt written, telephonic or written notice of such determination. Upon notice thereof by Agent to the Borrower, any obligation of Agent to make Term SOFR Loans, and any right of the Borrower to continue Term SOFR Loans shall be suspended (to the extent of the affected Term SOFR Loans or affected Interest Periods) until Agent revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of Term SOFR Loans (to the extent of the affected Term SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for an Loan of or conversion to Base Rate Loans in the amount specified therein and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.11. Subject to this Section 2.10, if Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on Base Rate Loans shall be determined by Agent without reference to the definition of "Base Rate" until Agent revokes such determination.

(b) Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document (and any swap obligations shall be deemed not to be a "Loan Document" for purposes of this Section 2.10(b)), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document.

(i) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(ii) Notices; Standards for Decisions and Determinations. The Agent will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 2.10). Any determination, decision or election that may be made by the Agent pursuant to this Section 2.10(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.10(b).

(iii) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, then Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(iv) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term SOFR Loan, or any conversion to or continuation of a Term SOFR Loan, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Base Rate Loan or a conversion to a Base Rate Loan. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

2.11. Increase in Maximum Revolving Advances Amount.

(a) Borrower may, at any time, request (an "Increase Request") that the Maximum Revolving Advances Amount be increased by (1) one or more of the current Lenders increasing their Revolving Advance Commitment (any current Lender which elects to increase its Revolving Advance Commitment shall be referred to as an "Increasing Lender") or (2) one or more new lenders (each a "New Lender") joining this Agreement and providing a Revolving Advance Commitment hereunder , subject to the following terms and conditions:

(i) All Increase Requests shall be subject to the sole and absolutely consent of the Agent;

(ii) No current Lender shall be obligated to increase its Revolving Advance Commitment and any increase in the Revolving Advance Commitment by any current Lender shall be in the sole discretion of such current Lender;

(iii) Borrower may not request the addition of a New Lender unless (and then only to the extent that) there is insufficient participation on behalf of the existing Lenders in the increased Revolving Commitments being requested by Borrower;

(iv) There shall exist no Event of Default or Default on the effective date of such increase after giving effect to such increase;

(v) After giving effect to such increase, the Maximum Revolving Advances Amount shall not exceed $60,000,000;

(vi) Borrower may not request an increase in the Maximum Revolving Advance Amount under this Section 2.11 more than four (4) times during the Term, and no single such increase in the Maximum Revolving Advance Amount shall be for an amount less than $5,000,000;

(vii) Borrower shall deliver to Agent on or before the effective date of such increase the following documents in form and substance satisfactory to Agent: (1) certifications of its corporate secretary with attached resolutions certifying that the increase in the Revolving Advance Commitments has been approved by Borrower, (2) certificate dated as of the effective date of such increase certifying that no Default or Event of Default shall have occurred and be continuing and certifying that the representations and warranties made by Borrower herein and in the other Loan Documents are true and complete in all respects with the same force and effect as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date) and (3) such other agreements, instruments and information (including supplements or modifications to this Agreement and/or the other Loan Documents executed by Borrower as Agent reasonably deems necessary in order to document the increase to the Maximum Revolving Advance Amount and to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the other Loan Documents in light of such increase;

(viii) If Requested by any Lender, Borrower shall execute and deliver (1) to each Increasing Lender a replacement promissory note reflecting the new amount of such Increasing Lender's Revolving Advance Commitment after giving effect to the increase (and the prior Note issued to such Increasing Lender, if any, shall be deemed to be cancelled) and (2) to each New Lender a Note reflecting the amount of such New Lender's Revolving Advance Commitment;

(ix) Any New Lender shall be subject to the approval of Agent in its sole and absolute discretion;

(x) Borrower shall have paid to Agent a commitment fee in an amount equal to 1.00% of the principal amount of the requested Increase Request, which shall be due and payable as of the date of the funding of such Increase Request;

(xi) Each Increasing Lender shall confirm its agreement to increase its Revolving Advance Commitment pursuant to an acknowledgement in a form acceptable to Agent, signed by it and Borrower and delivered to Agent at least five (5) days before the effective date of such increase; and

(xii) Each New Lender shall execute a lender joinder in substantially the form of Exhibit ___ pursuant to which such New Lender shall join and become a party to this Agreement and the other Loan Documents with a Revolving Advance Commitment as set forth in such lender joinder.

(b) On the effective date of such increase, (i) Borrower shall repay all Revolving Advances then outstanding, subject to Borrowers' obligations under Sections 2.5, 2.6 or 2.7; provided that subject to the other conditions of this Agreement, the Borrower may request new Revolving Advances on such date and (ii) the Revolving Advance Commitment Percentages of Lenders holding a Revolving Advance Commitment (including each Increasing Lender and/or New Lender) shall be recalculated such that each such Lender's Revolving Advance Commitment Percentage is equal to (x) the Revolving Advance Commitment of such Lender divided by (y) the aggregate of the Revolving Advance Commitments of all Lenders. Each Lender shall participate in any new Revolving Advances made on or after such date in accordance with its Revolving Advance Commitment Percentage after giving effect to the increase in the Maximum Revolving Advance Amount and recalculation of the Revolving Advance Commitment Percentages contemplated by this Section 2.11.

(c) On the effective date of such increase, Borrower shall pay all cost and expenses incurred by Agent and by each Increasing Lender and New Lender in connection with the negotiations regarding, and the preparation, negotiation, execution and delivery of all agreements and instruments executed and delivered by any of Agent, Borrower and/or Increasing Lenders and New Lenders in connection with, such increase (including all fees for any supplemental or additional public filings of any other Loan Documents necessary to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the other Loan Documents in light of such increase).

3. CONDITIONS OF LOANS.

3.1. Conditions Precedent to Initial Credit Extension. The obligation of Agent to make the initial Credit Extensions hereunder are subject to the satisfaction or waiver on or before the date hereof of each of the following conditions:

(a) Agent shall have received, in form and content acceptable to Agent, fully executed copies of the documents and other deliverables set forth on Exhibit E to (other than those listed under the heading "Post Closing Deliverables and Covenants");

(b) since December 31, 2023, no event shall have occurred which has had or could reasonably be expected to have a Material Adverse Effect, as determined by Agent in its Permitted Discretion;

(c) Agent shall have received payment of the fees and Lender Expenses then due pursuant to Section 2.4;

(d) Agent shall have conducted, or caused to be conducted, and been satisfied with the results of, a field examination of the Collateral;

(e) Agent shall have received final executed copies of the Merger Agreement, and all related agreements, documents and instruments as in effect on the Closing Date and the transactions contemplated by such documentation shall be consummated prior to or simultaneously with the making of the initial Revolving Advance including, without limitation, the receipt by Borrower of a cash capital contribution in the sum of $30,000,000;

(f) Loan Parties shall have $25,000,000 of Liquidity in the form of cash and cash equivalents held with Lender;

(g) Agent shall have received Borrower's current financial statements, including audited statements for Borrower's most recently ended fiscal year, together with an unqualified opinion, company prepared consolidated balance sheets and income statements for the most recently ended quarter in accordance with Section 6.2, and such other updated financial information as Agent may reasonably request; and

(h) Loan Parties shall have executed and delivered to Agent all such other documents, instruments and agreements as Agent may reasonably deem necessary or appropriate.

3.2. Conditions Precedent to all Credit Extensions. The obligation of Lenders to make each Credit Extension, including the initial Credit Extension, is further subject to the following conditions:

(a) if such Credit Extension is for a Revolving Advance, timely receipt by Lenders of a Payment/Advance Form as provided in Section 2.1(b)(ii); and

(b) the representations and warranties contained in Article 5 shall be true, and correct and complete in all material respects on and as of the date of such Payment/Advance Form and on the effective date of each Credit Extension as though made at and as of each such date (provided, however, that those representations and warranties expressly referring to another date shall be true, and correct and complete in all material respects as of such other date, and those representations and warranties already subject to materiality or a Material Adverse Effect condition shall be true, and correct and complete in all respects); and

(c) no Event of Default shall have occurred and be continuing, or would exist after giving effect to such Credit Extension.

The making of each Credit Extension shall be deemed to be a representation and warranty by Borrower on the date of such Credit Extension as to the accuracy of the facts referred to in this Section 3.2.

4. CREATION OF SECURITY INTEREST.

4.1. Grant of Security Interest. Borrower grants and pledges to Agent, for the benefit of Lenders, a continuing security interest in and Lien on all Collateral, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, to secure the prompt payment of any and all Obligations and to secure the prompt performance by Borrower of each of its covenants and duties under the Loan Documents. Subject only to Permitted Liens, such security interest constitutes a valid, first-priority security interest in all presently existing Collateral, and will constitute a valid, first-priority security interest in all after-acquired Collateral. Notwithstanding any termination of this Agreement, Agent's Lien, for the benefit of Lenders, on the Collateral shall remain in effect for so long as any Obligations (other than inchoate indemnification or reimbursement obligations or other obligations which, by their terms, survive termination of this Agreement) are outstanding or any Lender has any obligation to make Credit Extensions under this Agreement.

4.2. Perfection of Security Interest. Borrower authorizes Agent to file at any time financing statements, continuation statements, and amendments thereto that (i) either specifically describe the Collateral or describe the Collateral as all assets of Borrower and (ii) contain any other information required by the UCC for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, including whether Borrower is an organization, the type of organization and any organizational identification number issued to Borrower, if applicable. Borrower shall from time to time endorse and deliver to Agent, at the request of Agent, all Negotiable Collateral and other documents that Agent may reasonably request, in form satisfactory to Agent, to perfect and continue perfected Agent's security interests, for the benefit of Lenders, in the Collateral and in order to fully consummate all of the transactions contemplated under the Loan Documents. Borrower shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Agent chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Material Collateral is in possession of a third party bailee, Borrower shall use commercially reasonable efforts to (i) obtain an acknowledgment, in form and substance reasonably satisfactory to Lender, of the bailee that the bailee holds such Collateral for the benefit of Agent, (ii) obtain Control of any Collateral consisting of Investment Property, Deposit Accounts, Letter-of-Credit Rights or Electronic Chattel Paper by causing the securities intermediary or depositary institution or issuing bank to execute a control agreement in form and substance satisfactory to Agent. Borrower will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Agent indicating that Agent has a security interest in the Chattel Paper. Borrower from time to time may deposit with Agent, for the benefit of Lenders, specific cash collateral to secure specific Obligations; Borrower authorizes Agent to hold such specific balances in pledge and to decline to honor any drafts thereon or any request by Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the specific Obligations are outstanding.

4.3. Pledge of Shares. Borrower hereby pledges, assigns and grants to Agent, for the benefit of Lenders, a security interest in and Lien on all of Borrower's right, title and interest in the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing (collectively, the "Shares Collateral", as security for the performance of the Obligations. The certificate or certificates for the Shares, if any, will be delivered to Agent, accompanied by an instrument of assignment undated and duly executed in blank by Borrower, and Borrower shall cause the books of each entity whose shares are part of the Shares and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default, Agent may effect the transfer of the Shares into the name of Lender, and cause new certificates representing such securities to be issued in the name of Agent or its transferee, and shall thereafter have the right to exercise all voting rights with respect to the Shares. Borrower will execute and deliver such documents, and take or cause to be taken such actions, as Agent may reasonably request to perfect or continue the perfection of Lender's security interest in the Shares. Unless an Event of Default shall have occurred and be continuing, Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default.

4.4. Assignment of Insurance. As additional security for the payment and performance of the Obligations, Borrower hereby assigns to Agent, for the benefit of Lenders, any and all monies (including proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Collateral or any evidence thereof or any business records or valuable papers pertaining thereto, and Borrower hereby directs the issuer of any such policy to pay all such monies directly to Agent, for the benefit of Lenders. At any time upon the occurrence and during the continuance of an Event of Default, Agent may (but need not), in Agent's name or in Borrower's name, execute and deliver proof of claim, receive all such monies, endorse checks and other instruments representing payment of such monies, and adjust, litigate, compromise or release any claim against the issuer of any such policy. After the occurrence and during the continuance of an Event of Default, subject to Section 2.8, any monies received as payment for any loss under any insurance policy mentioned above (other than liability insurance policies) or as payment of any award or compensation for condemnation or taking by eminent domain, shall be paid over to Agent to be applied, at the option of Agent, either to the prepayment of the Obligations or shall be disbursed to Borrower under staged payment terms reasonably satisfactory to Agent for application to the cost of repairs, replacements, or restorations. Any such repairs, replacements, or restorations shall be effected with reasonable promptness and shall be of a value at least equal to the value of the items or property destroyed prior to such damage or destruction.

4.5. Cash Management. Borrower hereby represents and warrants that all Deposit Accounts and all other depository and other accounts maintained by Borrower as of the Closing Date are described in Section 32 of the Perfection Certificate, which description includes the name of the financial institution at which such account is maintained, the account number, and the purpose of such account. After the Closing Date, Borrower shall not open any new Deposit Accounts or any other depository or other accounts without the prior written consent of Agent and without updating Section 32 of the Perfection Certificate to reflect such Deposit Accounts or other accounts, as applicable, and all new Deposit Accounts or other accounts shall be maintained in accordance with Section 6.6. No Deposit Accounts or other accounts of Borrower shall at any time constitute a Restricted Account other than accounts expressly indicated on Section 32 of the Perfection Certificate as being a Restricted Account (and Borrower hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Restricted Account to qualify as a Restricted Account). Borrower will, at its expense establish (and revise from time to time as Agent may require) procedures acceptable to Agent, in Agent's sole discretion, for the collection of checks, wire transfers and all other proceeds of all of Borrower's Accounts and other Collateral ("Collections"), which shall include depositing all Collections received by Borrower into one or more bank accounts maintained in the name of Borrower (but as to which upon the occurrence and during the continuance of a Springing DACA Event, Agent will have exclusive access) (each, a "Springing DACA Account"), under an arrangement acceptable to Agent in its sole discretion with a depository bank satisfactory to Agent's in its sole discretion, pursuant to which all funds deposited into each Springing DACA Account are, upon the occurrence and during the continuance of a Springing DACA Event, to be transferred to Agent in such manner, and with such frequency, as Agent shall specify. Borrower agrees to execute, and to cause its depository banks and other financial institutions at which Deposit Accounts are maintained to execute, such springing deposit account control agreements and other documentation as Agent shall require in its Permitted Discretion from time to time in connection with the foregoing, all in form and substance satisfactory to Agent in its sole discretion, and in any event such arrangements and documents must be in place on the Closing Date with respect to accounts in existence on the Closing Date, in each case excluding Restricted Accounts.

4.6. Account Statements. On a monthly basis, Agent shall deliver to Borrower an account statement showing all Credit Extensions, charges and payments, which shall be deemed final, binding and conclusive upon Borrower unless Borrower notifies Agent in writing, specifying any error therein, within thirty (30) days of the date such account statement is sent to Borrower and any such notice shall only constitute an objection to the items specifically identified.

5. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants as follows:

5.1. Due Organization and Qualification. Each Loan Party is a corporation duly existing under the laws of the state in which it is incorporated and qualified and licensed to do business in any state in which the conduct of its business or its ownership of property requires that it be so qualified, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.2. Due Authorization; No Conflict. The execution, delivery, and performance of the Loan Documents are within each Loan Party's powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision contained in such Loan Party's organizational documents, nor will they constitute an event of default under any material agreement by which any Loan Party is bound, including the Merger Agreement. No Loan Party is in default under any agreement by which it is bound, except to the extent such default would not reasonably be expected to cause a Material Adverse Effect.

5.3. Enforceability. The Loan Documents to which each Loan Party is a party are the legal, valid and binding obligations of such Loan Party and are enforceable against such Loan Party in accordance with their respective terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

5.4. Indebtedness. Except for Permitted Indebtedness and the Obligations, no Loan Party is obligated (directly or indirectly), for any loans or other Indebtedness.

5.5. Margin Security and Use of Proceeds. None of the proceeds of the Loans hereunder shall be used for the purpose of purchasing or carrying any margin securities or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase any margin securities or for any other purpose not permitted by Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

5.6. Subsidiaries. Except as set forth Section 23 of the Perfection Certificate or as otherwise permitted by the definition of Permitted Investments, no Loan Party has any Subsidiaries, nor is any Loan Party engaged in any joint venture or partnership with any other Person.

5.7. No Defaults. No Loan Party is in default under any material contract, lease or commitment to which it is a party or by which it is bound which would reasonably be expected to result in a Material Adverse Effect. Borrower does not know of any dispute regarding any contract, lease or commitment of any Loan Party which would reasonably be expected to result in a Material Adverse Effect or that is in an amount greater than $1,000,000.

5.8. Employee Matters. There are no controversies pending or threatened between any Loan Party and any of its employees, agents or independent contractors other than employee grievances arising in the ordinary course of business which would not, in the aggregate, have a Material Adverse Effect, and each Loan Party is in compliance with all federal and state laws respecting employment and employment terms, conditions and practices except for such non-compliance which would not have a Material Adverse Effect.

5.9. Intellectual Property.

(a) Intellectual Property Rights. The Perfection Certificate contains a complete list of all patents, applications for patents, trademarks, applications to register trademarks, service marks, applications to register service marks, mask works, trade dress and copyrights for which each Loan Party is the owner of record (the "Intellectual Property"). Except as disclosed on the Perfection Certificate, (i) each Loan Party owns the Intellectual Property free and clear of all restrictions (including covenants not to sue a third party), court orders, injunctions, decrees, writs or Liens (other than Permitted Liens), whether by written agreement or otherwise, (ii) no Person other than the applicable Loan Party owns or has been granted any right in the Intellectual Property (other than Permitted Liens), (iii) all material Intellectual Property is valid, subsisting and enforceable and (iv) the applicable Loan Party has taken all commercially reasonable action necessary to maintain and protect the Intellectual Property. To the knowledge of the Loan Parties, the use of such Intellectual Property by each Loan Party and the operation of its businesses does not infringe any valid and enforceable intellectual property rights of any other Person, except to the extent any such infringement could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of the Loan Parties, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party infringes upon any rights held by any other Person, except to the extent any such infringement could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as specifically disclosed in the Perfection Certificate, no claim or litigation regarding any of the foregoing is pending or, to Borrower's knowledge, threatened in writing, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to Borrower's knowledge, proposed, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Licensed Intellectual Property. No Loan Party possesses any licenses other than (i) as set forth in the Perfection Certificate, (ii) readily available, non-negotiated licenses of computer software and other intellectual property used solely for performing accounting, word processing and similar administrative tasks and (iii) other licenses constituting Permitted Liens.

5.10. Environmental Matters. No Loan Party has generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates in any material respect any Environmental Law or any license, permit, certificate, approval or similar authorization thereunder and the operations of each Loan Party comply in all material respects with all Environmental Laws and all licenses, permits, certificates, approvals and similar authorizations thereunder. There has been no investigation, proceeding, complaint, order, directive, claim, citation or notice by any governmental authority or any other Person, nor is any pending or to the best of Borrower's knowledge threatened with respect to any non-compliance with or violation of the requirements of any Environmental Law by any Loan Party or the release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter, which affects any Loan Party or its business, operations or assets or any properties at which any Loan Party, has transported, stored or disposed of any Hazardous Materials. No Loan Party has material liability (contingent or otherwise) in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials.

5.11. ERISA Matters. Except as set forth in the Perfection Certificate, neither any Loan Party nor any ERISA Affiliate (a) maintains or has maintained any Pension Plan, (b) contributes or has contributed to any Multiemployer Plan or (c) provides or has provided post-retirement medical or insurance benefits with respect to employees or former employees (other than benefits required under Section 601 of ERISA, Section 4980B of the Code or applicable state law). Each Plan is in compliance with, and has been operated in accordance with, all applicable laws, including ERISA and the Code, and the terms of such Plan, and Borrower does not have liability for any material fine, penalty, excise tax, or damage with respect to any Plan. Neither any Loan Party nor any ERISA Affiliate has received any notice or has any knowledge to the effect that it is not in full compliance with any of the requirements of ERISA, the Code or applicable state law with respect to any Plan. No Reportable Event exists in connection with any Pension Plan. Each Plan which is intended to qualify under the Code is so qualified, and no fact or circumstance exists which may have an adverse effect on the Plan's tax qualified status. Neither any Loan Party nor any ERISA Affiliate has (i) any accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code) under any Plan, whether or not waived, (ii) any liability under Section 4201 or 4243 of ERISA for any withdrawal, partial withdrawal, reorganization or other event under any Multiemployer Plan or (iii) any liability or knowledge of any facts or circumstances which could result in any liability to the PBGC, the Internal Revenue Service, the Department of Labor or any participant in connection with any Plan (other than routine claims for benefits under the Plan).

5.12. Anti Money Laundering and Economic Sanctions Laws.

(a) To the extent applicable, each Loan Party and each of its Subsidiaries is in compliance with (i) the Patriot Act in all material respects and (ii) any applicable anti money laundering laws or any applicable Sanctions requirements of law that in each case are binding on them, except in the case of this clause (ii) where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect. To the knowledge of management of the Borrower, none of the Loan Parties, their respective Subsidiaries or their respective officers or directors is an Embargoed Person.

(b) No part of the proceeds of the Loans will be used, directly or, to the knowledge of management of Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(c) None of the Loan Parties or their respective Subsidiaries or, to the knowledge of management of the Borrower, any of their respective officers and directors, will directly or indirectly use any proceeds of the Loans or lend, contribute or otherwise make available such proceeds to any Person for the purpose of financing the activities of or with any Person or in any country or territory that, at the time of funding, is an Embargoed Person.

5.13. Beneficial Ownership Certification. The information included in the beneficial Ownership Certification is true and correct in all material respects.

5.14. Collateral.

(a) Each applicable Loan Party has rights in or the power to transfer its portion of the Collateral, and its title to such Collateral is free and clear of Liens, adverse claims, and restrictions on transfer or pledge except for Permitted Liens.

(b) All Inventory, if any, is in all material respects of good and merchantable quality, free from all material defects, except for Inventory for which adequate reserves have been made.

(c) No Equipment is a fixture to real estate unless such real estate is owned by a Loan Party and is subject to a mortgage in favor of Agent or if such real estate is leased, is subject to a landlord's agreement in favor of Agent on terms acceptable to Lender, or an accession to other personal property unless such personal property is subject to a first priority lien in favor of Agent.

(d) Except as set forth in the Perfection Certificate or as permitted by Sections 6.6 or 7.10, none of the Collateral is maintained or invested with a Person other than Agent, Lenders or their respective affiliates.

5.15. Name; Location of Chief Executive Office; Locations of Collateral. Except as disclosed in Section 2 of the Perfection Certificate, no Loan Party has done business under any name other than that specified on the signature page hereof, and its exact legal name is as set forth in the first paragraph of this Agreement. The chief executive office of Borrower, at which Borrower keeps its books, records and accounts (or copies thereof) concerning the Collateral, is located in the Chief Executive Office State at the address indicated in Section 10 hereof; the chief executive office of each Loan Party (other than Borrower), at which such Loan Party keeps its books, records and accounts (or copies thereof) concerning the Collateral, is disclosed in Section 16 of the Perfection Certificate. The Collateral, including the Equipment (except any part thereof which Borrower shall have advised Agent in writing consists of Collateral normally used in more than one state) is kept, or, in the case of vehicles, based, only at the address set forth on Section 10 hereof or other locations as set forth in the Perfection Certificate or as permitted by Section 7.10, and at other locations within the continental United States of which Agent has been advised by Borrower in writing.

5.16. Litigation; Commercial Tort Claims. Except as set forth in Sections 40 and 41 of the Perfection Certificate or as disclosed to Agent pursuant to Section 6.9(c), there are no actions or proceedings pending by or against any Loan Party or any Subsidiary of any Loan Party before any court or administrative agency. There are no such actions or proceedings in which a likely adverse decision would reasonably be expected to have a Material Adverse Effect. No Loan Party has any Commercial Tort Claims pending other than (a) those set forth in Sections 40 and 41 of the Perfection Certificate and (b) those of which Agent has been advised by Borrower in writing following the Closing Date.

5.17. Accuracy of Financial Statements. All consolidated financial statements related to any Loan Party or any Subsidiary of any Loan Party that are delivered to Agent hereunder (including those delivered prior to the Closing Date) have been prepared in accordance with GAAP consistently applied throughout the period covered thereby and fairly present in all material respects the financial condition of the Loan Parties and their Subsidiaries as of the date thereof and the results of operations of such Persons for the period then ended. There has not been a material adverse change in the consolidated financial condition of the Loan Parties and their Subsidiaries since the date of the most recent audited financial statements submitted to Agent.

5.18. Solvency, Payment of Debts. The Loan Parties, on a consolidated basis, are able to pay their debts (including trade debts) as they mature; the fair saleable value of the Loan Parties' assets (including goodwill minus disposition costs) exceeds the fair value of their liabilities; and the Loan Parties, on a consolidated basis, are not left with unreasonably small capital after the transactions contemplated by this Agreement.

5.19. Compliance with Laws and Regulations. Each Loan Party has met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. No event has occurred resulting from any Loan Party's failure to comply with ERISA that is reasonably likely to result in such Loan Party incurring any liability that could have a Material Adverse Effect. No Loan Party is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). Each Loan Party has complied in all material respects with all the provisions of the Federal Fair Labor Standards Act. Each Loan Party is in compliance with all environmental laws, regulations and ordinances except where the failure to comply is not reasonably likely to have a Material Adverse Effect. No Loan Party has violated any statutes, laws, ordinances or rules applicable to it, the violation of which could reasonably be expected to have a Material Adverse Effect.

5.20. Government Consents. Each Loan Party has obtained all consents, approvals, franchises, certificates, licenses, permits and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of such Loan Party's business as currently conducted, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.21. Affiliate Transactions. Except as set forth in the Perfection Certificate or as otherwise permitted by this Agreement, no Loan Party is conducting, permitting or suffering to be conducted, transactions with any Affiliate other than transactions with Affiliates for the purchase or sale of Inventory or services in the ordinary course of business pursuant to terms that are no less favorable to such Loan Party than the terms upon which such transactions would have been made had they been made to or with a Person that is not an Affiliate.

5.22. Names and Trade Names. Borrower's name has always been as set forth on the first page of this Agreement and no Loan Party uses any trade names, assumed names, fictitious names or division names in the operation of its business, except as set forth in Section 2 of the Perfection Certificate.

5.23. Delivery of Merger Agreement. Agent has received complete copies of the Merger Agreement and related material documents (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and all amendments thereto, waivers relating thereto and other side letters or material agreements affecting the terms thereof. None of such documents and agreements have been amended or supplemented, nor have any of the provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Lender.

5.24. Full Disclosure. No representation, warranty or other statement made by Borrower in any certificate or written statement furnished to Agent or in the Merger Agreement taken together with all such certificates and written statements furnished to Agent by any Loan Party contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in such certificates or statements, in light of the circumstances under which statements were made, not materially misleading, it being recognized by Agent that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may materially differ from the projected or forecasted results.

5.25. Taxes. Each Loan Party and its Subsidiaries has filed all federal, state and other Tax returns and reports required to be filed, and have paid all federal, state and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect or result in the imposition of a Lien on the assets of any Loan Party other than Permitted Liens.

6. AFFIRMATIVE COVENANTS.

Borrower covenants that, until payment in full of all outstanding Obligations, and for so long as Agent may have any commitment to make a Credit Extension hereunder, Borrower shall do all of the following:

6.1. Good Standing and Government Compliance. Borrower shall maintain, and at Agent's request provide Agent evidence of, its organizational existence and good standing in the Borrower State, shall maintain, and at Agent's request provide Agent evidence of, qualification and good standing in each other jurisdiction in which the failure to so qualify could have a Material Adverse Effect, and shall furnish to Agent the organizational identification number issued to Borrower by the authorities of the state in which Borrower is organized, if applicable. Each Loan Party other than Borrower shall maintain, and at Agent's request provide Agent evidence of, its organizational existence and good standing in its state of organization, shall maintain, and at Agent's request provide Agent evidence of, qualification and good standing in each other jurisdiction in which the failure to so qualify could have a Material Adverse Effect, and shall furnish to Agent the organizational identification number issued to such Loan Party by the authorities of the state in which such Loan Party is organized, if applicable. Each Loan Party shall meet the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. Each Loan Party shall comply in all material respects with all applicable Environmental Laws, and maintain all material permits, licenses and approvals required thereunder where the failure to do so could have a Material Adverse Effect. Each Loan Party shall comply with all statutes, laws, ordinances and government rules and regulations to which it is subject, and shall maintain in force all licenses, approvals and agreements, the loss of which or failure to comply with which would reasonably be expected to have a Material Adverse Effect.

6.2. Financial Statements, Collateral Reports and Certificates. Borrower shall deliver the following to Agent:

(a) within one hundred twenty (120) days after the end of each Fiscal Year, audited consolidated financial statements of the Loan Parties prepared in accordance with GAAP, consistently applied, together with an opinion which is unqualified on such financial statements of an independent certified public accounting firm selected by Borrower and reasonably acceptable to Agent (it being understood that Marcum LLP is acceptable to Lender) and a copy of any management letter sent to Borrower by such accountants;

(b) within forty-five (45) days after the end of each fiscal quarter, company-prepared consolidated financial statements, including a balance sheet and statements of income, retained earnings and cash flow, and a comparison against budget for such period, in a form reasonably acceptable to Agent and certified by a Responsible Officer;

(c) no later than sixty (60) days after the ending of each Fiscal Year, the Loan Parties' financial and business projections and budget (including a balance sheet, an income statement, a statement of cash flows, an availability projection, and a demonstration of pro forma financial covenant compliance), presented in a month-by-month format, for such Fiscal Year, with written certification signed by a Responsible Officer of approval thereof by Borrower's board of directors, which shall include the assumptions used therein, together with appropriate supporting details as reasonably requested by Agent;

(d) no later than thirty (30) days after the ending of each calendar month, a summary aging, by vendor, of Borrower's accounts payable and any book overdraft and an aging, by vendor, of any held checks (delivered electronically in an acceptable form);

(e) within one hundred twenty (120) days after the last day of each Fiscal Year, a report signed by Borrower, in form reasonably acceptable to Agent, listing any applications or registrations that any Loan Party has made or filed in respect of any Patents, Copyrights or Trademarks and the status of any outstanding applications or registrations, as well as any material change in each Loan Party's Patents, Copyrights or Trademarks, including but not limited to any subsequent ownership right of any Loan Party in or to any Trademark, Patent or Copyright not previously identified to Agent;

(f) concurrently with delivery of the annual financial statements required by clause (a) above and the quarterly financial statements required by clause (b) above, a Compliance Certificate certified as of the last day of the applicable quarter or Fiscal Year and signed by a Responsible Officer of Borrower, in substantially the form of Exhibit D hereto;

(g) no later than thirty (30) days after the end of each calendar month, a Recurring Revenue and churn report in form and based on methodology acceptable to Agent;

(h) promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which any Loan Party files with the SEC, as well as promptly providing to Agent copies of any reports and proxy statements delivered to its shareholders;

(i) promptly following any request therefor, Borrower shall provide information and documentation reasonably requested by Agent for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws, including but not limited to a Beneficial Ownership Certification form acceptable to Agent; and

(j) promptly following request therefor by Agent, such other business or financial data, reports, appraisals and projections as Agent may reasonably request.

Borrower may deliver to Agent on an electronic basis any certificates, reports or information required pursuant to this Section 6.2, and Agent shall be entitled to rely on the information contained in the electronic files, provided that Agent in good faith believes that the files were delivered by a Responsible Officer.

Documents required to be delivered pursuant to the terms of this Section 6.2 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower or any of its Subsidiaries posts such documents, or provides a link thereto, on Borrower's or any of its Subsidiaries' website on the internet at Borrower's or any of its Subsidiaries' website address or when such documents are filed with EDGAR.

6.3. Inventory; Returns. Each Loan Party shall keep all Inventory in good and merchantable condition, free from all material defects except for Inventory for which adequate reserves have been made. Returns and allowances, if any, as between each Loan Party and its Account Debtors shall be on the same basis and in accordance with the usual customary practices of such Loan Party, as they exist on the Closing Date.

6.4. Taxes. Each Loan Party shall make due and timely payment or deposit (subject to validly filed extensions) of all material federal, state, and local taxes, assessments, or contributions required of it by law, including, but not limited to, those laws concerning income taxes, F.I.C.A., F.U.T.A. and state disability, and will execute and deliver to Agent, upon reasonable request, proof reasonably satisfactory to Agent indicating that such Loan Party has made such payments or deposits and any appropriate certificates attesting to the payment or deposit thereof; provided that no Loan Party need make any payment or deposit if (i) the amount or validity of such payment or deposit is contested in good faith by appropriate proceedings and is reserved against (to the extent required by GAAP) by such Loan Party or (ii) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect or result in the imposition of a Lien on the assets of any Loan Party other than Permitted Liens.

6.5. Insurance.

(a) Each Loan Party, at its expense, shall keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers, and all other hazards and risks, and in such amounts, as ordinarily insured against by other owners in similar businesses conducted in the locations where such Loan Party's business is conducted on the date hereof. Each Loan Party shall also maintain liability and other insurance in amounts and of a type that are customary to businesses similar in size and scope to such Loan Party's business.

(b) All such policies of insurance shall be in such form, with such companies, and in such amounts as reasonably satisfactory to Agent. All policies of property insurance shall contain a lender's loss payable endorsement, in a form satisfactory to Agent, showing Agent as a lender's loss payee, and all liability insurance policies shall show Agent as an additional insured and, in each case, specify that the insurer must give at least thirty (30) days' notice to Agent before canceling its policy for any reason. Upon Agent 's request, Borrower shall deliver to Agent certified copies of the policies of insurance and evidence of all premium payments. As long as no Default Period is in effect, proceeds payable under any casualty policy will, at Borrower's option, be payable to Borrower to replace the property subject to the claim, provided that any such replacement property shall be deemed Collateral in which Agent has been granted a first priority security interest. If a Default Period is in effect, all proceeds payable under any such policy shall, at Agent's option, be payable to Agent to be applied on account of the Obligations.

6.6. Primary Depository. From and after the date that is 90 days after the Closing Date (or such later date as Agent may agree in its sole discretion), each Loan Party shall maintain its primary business depository relationship with East West Bank, including general operating, collections and administrative deposit accounts and cash management services, and shall maintain its primary investment accounts with East West Bank or East West Bank 's Affiliates. At all times from and after such date, the Loan Parties shall not maintain deposit accounts at any other institution except that the Loan Parties may maintain up to $750,000 in deposit accounts not held at Bank; provided that each Loan Party shall cause all banks or other depositary institutions with which such Loan Party maintains any deposit account (other than Restricted Accounts) to enter into a deposit account control agreement with Agent, in form and reasonably substance satisfactory to Agent. On the Closing Date, the Loan Parties shall cause at least 75% of the domestic cash and cash equivalents of the Loan Parties to be held in deposit or investment accounts maintained with East West Bank.

6.7. Financial Covenants.

(a) Minimum Liquidity. Loan Parties shall maintain Liquidity, at all times, of not less than $8,000,000; provided, that, at least $8,000,000 of such Liquidity shall be in the form of cash and cash equivalents held with Lender.

(b) Minimum Fixed Charge Coverage Ratio. Loan Parties and their Subsidiaries, on a consolidated basis, shall cause to be maintained as of the last day of each Fiscal Quarter, a Fixed Charge Coverage Ratio of not less than 1.35 to 1.00, measured on a rolling four (4) quarter basis.

(c) Minimum Revenue Performance to Plan. Parent's consolidated revenue, determined in accordance with GAAP, shall be, as of the last day of each fiscal quarter, for each fiscal quarter during the fiscal year ending December 31, 2024, equal to or greater than eighty percent (80%) of Parent's consolidated revenue for the trailing three (3) month period then ended as of the last day of such calendar quarter as set forth in Borrower's most recent financial and business projections and budget delivered prior to the Closing Date and attached hereto as Exhibit G.

(d) Maximum Leverage Ratio. As of the end of any Fiscal Quarter during each period below, Borrowers shall maintain a Leverage Ratio for the immediately trailing four-Fiscal Quarter measurement period then ended of not more than the amount set forth below for each such measurement period; provided, that the Leverage Ratio amounts may be modified, in Agent's sole discretion, after Borrower provides Agent with evidence, in form and substance acceptable to Agent, that Borrower has received the proceeds of Subordinated Debt after the Closing Date in an aggregate amount satisfactory to Agent:

Period	Required Leverage Ratio
March 31, 2024 – September 30, 2024	4.50:1.00
December 31, 2024 – September 30, 2025	4.00:1.00
December 31, 2025 – September 30, 2026	3.50:1.00
December 31, 2026 – Revolving Maturity Date	3.00:1.00

6.8. Maintenance of Books and Records. Each Loan Party shall at all times keep materially accurate and complete books, records and accounts with respect to all of such Loan Party's business activities, in accordance with GAAP subject to normal year end audit adjustments and the absence of footnotes.

6.9. Notices. Borrower shall provide written notice to Agent of the following:

(a) Locations. Promptly upon becoming aware of (but in no event less than ten (10) days prior to the occurrence thereof) the proposed opening of any new place of business or new location of Collateral, the closing of any existing place of business or location of Collateral, any change of in the location of any Loan Party's books, records and accounts (or copies thereof), the opening or closing of any post office box, the opening or closing of any bank account or, if any of the Collateral consists of Goods of a type normally used in more than one state, the use of any such Goods in any state other than a state in which such Loan Party has previously advised Agent that such Goods will be used.

(b) [Reserved].

(c) Litigation and Proceedings. Promptly upon becoming aware thereof, (i) of any litigation, arbitration, governmental investigation or other actions or proceedings which are pending or threatened against any Loan Party or any Subsidiary or to which any of the properties of any thereof is subject which involves an amount in controversy in excess of $1,000,000, or which could reasonably be expected to have a Material Adverse Effect, and (ii) of any Commercial Tort Claims of any Loan Party involving expected damages in excess of $1,000,000 which may arise.

(d) Names and Trade Names. Within ten (10) days after the change of any Loan Party's name or the use of any trade name, assumed name, fictitious name or division name not previously disclosed to Agent in writing.

(e) ERISA Matters. Promptly upon (i) the occurrence of any Reportable Event which might result in the termination by the PBGC of any Plan covering any officers or employees of any Loan Party, any benefits of which are, or are required to be, guaranteed by the PBGC, (ii) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefore, (iii) its intention to terminate or withdraw from any Plan, (iv) the institution of any steps by any member of the Controlled Group or any other Person to terminate any Pension Plan, (v) the failure of any Loan Party or any ERISA Affiliate of any member of the Controlled Group or any other Person to make a required contribution to any Pension Plan (if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA) or to any Multiemployer Plan, (vi) the taking of any action with respect to a Pension Plan which could result in the requirements that any Loan Party furnish a bond or other security to the PBGC or such Pension Plan, (vii) the occurrence of any event with respect to any Pension Plan or Multiemployer Plan which could result in the incurrence by any ERISA Affiliate or any member of the Controlled Group of any liability, fine or penalty (including any claim or demand for withdrawal liability or partial withdrawal from any Multiemployer Plan) in excess of $1,000,000, (viii) any increase in excess of $1,000,000 in the contingent liability of any Loan Party with respect to any post-retirement welfare plan benefit, or (ix) any notice that any Multiemployer Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of an excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

(f) Environmental Matters. Immediately upon becoming aware of any investigation, proceeding, complaint, order, directive, claim, citation or notice with respect to any non-compliance with or violation of the requirements of any Environmental Law by any Loan Party or the generation, use, storage, treatment, transportation, manufacture handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter which affects any Loan Party or its business operations or assets or any properties at which any Loan Party has transported, stored or disposed of any Hazardous Materials unless the foregoing could not reasonably be expected to result in a Material Adverse Effect.

(g) Default; Material Adverse Change. Promptly of (i) any Material Adverse Effect, (ii) the occurrence of any Event of Default hereunder, or (iii) the occurrence of any event which, if uncured, will become an Event of Default after notice or lapse of time (or both).

All of the foregoing notices shall be provided by Borrower to Agent in writing and shall describe the steps being taken by any Loan Party or any Subsidiary affected thereby with respect thereto.

6.10. Compliance with Laws and Maintenance of Permits. Each Loan Party shall maintain all governmental consents, franchises, certificates, licenses, authorizations, approvals and permits, the lack of which would have a Material Adverse Effect and such Loan Party shall remain in compliance with all applicable federal, state, local and foreign statutes, orders, regulations, rules and ordinances (including Environmental Laws and statutes, orders, regulations, rules and ordinances relating to employer and employee contributions and similar items, securities, ERISA or employee health and safety) the failure with which to comply would have a Material Adverse Effect. Following any determination by Agent that there is non-compliance, or any condition which requires any action by or on behalf of any Loan Party in order to avoid non-compliance, with any Environmental Law, at Borrower's expense cause an independent environmental engineer acceptable to Agent to conduct such tests of the relevant site(s) as are appropriate and prepare and deliver a report setting forth the results of such tests, a proposed plan for remediation and an estimate of the costs thereof.

6.11. Inspection and Field Examinations. Each Loan Party shall permit Agent, or any Persons designated by Agent, to call at such Loan Party's places of business at any reasonable times, and, without hindrance or delay, to inspect the Collateral and to inspect, audit, check and make extracts from such Loan Party's books, records, journals, orders, receipts and any correspondence and other data relating to such Loan Party's business, the Collateral or any transactions between the parties hereto, and shall have the right to make such verification concerning such Loan Party's business as Agent may consider reasonable under the circumstances; provided however, that unless an Event of Default has occurred and is continuing, such field exams or audits shall occur no more than once per calendar year. Borrower shall furnish to Agent such information relevant to Agent's rights under the Loan Documents as Agent shall at any time and from time to time reasonably request. Agent, through its officers, employees or agents shall have the right, at any time and from time to time, in Lender's name, to verify the validity, amount or any other matter relating to any of Borrower's Accounts, by mail, telephone, telecopy, electronic mail, or otherwise, provided that prior to the occurrence of an Event of Default, Agent shall conduct such verification in the name of a nominee of Agent or in Borrower's name. Borrower authorizes Agent to discuss the affairs, finances and business of the Loan Parties with any officers, employees or directors of Borrower or with its Parent or any Affiliate or the officers, employees or directors of its Parent or any Affiliate, and to discuss the financial condition of the Loan Parties with Borrower's independent public accountants. Any such discussions shall be without liability to Agent or to such independent public accountants. For each inspection or audit conducted by Agent hereunder, Borrower shall pay to Agent (a) fees at Lender's then-current per diem rate, plus (b) all documented costs and out-of-pocket expenses incurred by Agent; provided, however, that, notwithstanding the foregoing or anything else contained herein, Borrower shall have no obligation to pay for more than one (1) field exams or audits per calendar year while no Default Period exists. All such fees, costs and expenses shall constitute Obligations hereunder, shall be payable on demand and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

6.12. Collateral. Each Loan Party shall keep the Collateral in good condition, repair and order, ordinary wear and tear excepted, and shall make all necessary repairs to the Equipment and replacements thereof so that the operating efficiency and the value thereof shall at all times be preserved and maintained in all material respects. Subject to the limitations on inspection rights set forth in Section 6.11, each Loan Party shall permit Agent to examine any of the Collateral at any time and wherever the Collateral may be located and, each Loan Party shall, immediately upon request therefor by Agent, deliver to Agent any and all evidence of ownership of any of the Equipment including certificates of title and applications of title. Each Loan Party shall, at the request of Agent, indicate on its records concerning the Collateral a notation, in form satisfactory to Agent, of the security interest of Agent, for the benefit of Lenders hereunder.

6.13. Use of Proceeds. Borrower shall use the proceeds of each Credit Extension solely for (a) the refinancing on the Closing Date of existing Indebtedness in favor of Western Technology Investments and (b) Borrower's business purposes, consistent with Borrower's business as conducted on the Closing Date.

6.14. Intellectual Property.

(a) Borrower shall maintain adequate licenses, Patents, Copyrights, Trademarks and other Intellectual Property to continue its business as heretofore conducted by it or as hereafter conducted by it unless the failure to maintain any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

(b) Borrower shall register or cause to be registered (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as the case may be, those registrable intellectual property rights now owned or hereafter developed or acquired by Borrower, to the extent that Borrower, in its reasonable business judgment, deems it appropriate to so protect such intellectual property rights. (b) Borrower shall promptly, but in any event within thirty (30) days after filing, give Agent written notice of any applications or registrations of intellectual property rights filed with the United States Patent and Trademark Office, including the date of such filing and the registration or application numbers, if any.

(c) Borrower shall (i) promptly, but in any event within thirty (30) days after filing, give Agent written notice of the filing of any applications or registrations with the United States Copyright Office, including the title of such intellectual property rights to be registered, as such title will appear on such applications or registrations, and the date such applications or registrations will be filed; (ii) promptly, but in any event within thirty (30) days after filing, execute such documents as Agent may reasonably request for Agent to maintain its perfection in such intellectual property rights to be registered by Borrower; (iii) upon the request of Agent, either deliver to Agent or file such documents promptly, but in any event within thirty (30) days after filing any such applications or registrations with the United States Copyright Office; (iv) promptly, but in any event within thirty (30) days after filing, provide Agent with a copy of such applications or registrations together with any exhibits, evidence of the filing of any documents requested by Agent to be filed for Agent to maintain the perfection and priority of its security interest in such intellectual property rights, and the date of such filing.

(d) Borrower shall execute and deliver such additional instruments and documents from time to time as Agent shall reasonably request to perfect and maintain the perfection and priority of Agent's security interest in the Intellectual Property Collateral.

(e) Borrower shall use commercially reasonably efforts to (i) protect, defend and maintain the validity and enforceability of Borrower's trademarks, patents, copyrights, and trade secrets, (ii) detect infringements of the copyrights, trademarks and patents and promptly advise Agent in writing of material infringements detected and (iii) not allow any material copyrights, trademarks and patents to be abandoned, forfeited or dedicated to the public without the written consent of Agent, which shall not be unreasonably withheld.

(f) Agent may audit Borrower's Intellectual Property Collateral to confirm compliance with this Section 6.14. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing, the Loan Parties' shall only be obligated to reimburse Agent for one (1) such Intellectual Property Collateral audit in each calendar year. Agent shall have the right, but not the obligation, to take, at Borrower's sole expense, any actions that Borrower is required under this Section 6.14 to take but which Borrower fails to take, after fifteen (15) days' notice to Borrower. Borrower shall reimburse and indemnify Agent for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 6.14.

6.15. Patriot Act, Bank Secrecy Act and Office of Foreign Assets Control. As required by federal law and the Agent's policies and practices, Agent may need to obtain, verify and record certain customer identification information and documentation in connection with opening or maintaining accounts, or establishing or continuing to provide services and Borrower agrees to provide such information. In addition, and without limiting the foregoing sentence, Borrower shall (a) ensure, and cause each other Loan Party to ensure, that no Person who owns a controlling interest in or otherwise controls Borrower or such Loan Party is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each Subsidiary to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

6.16. [Reserved]**.**

6.17. Creation of Subsidiaries. If any Loan Party creates any new Subsidiary, Borrower shall promptly notify Agent of the creation of such new Subsidiary and take all such action as may be reasonably required by Agent to cause such new Subsidiary, if a domestic Subsidiary, to guarantee the Obligations of Borrower under the Loan Documents and to grant a continuing pledge and security interest in and to the collateral of such new domestic Subsidiary (substantially as described on Exhibit B hereto), and Borrower (or the applicable Subsidiary) shall grant and pledge to Agent, a perfected security interest in 100% of the Shares of such new Subsidiary.

6.18. Consent of Inbound Licensors. Prior to entering into or becoming bound by any inbound license or agreement (other than over-the-counter software that is commercially available to the public), the failure, breach, or termination of which could reasonably be expected to cause a Material Adverse Effect, Borrower shall: (a) provide written notice to Agent of the material terms of such license or agreement with a description of its likely impact on Borrower's business or financial condition; and (b) in good faith take such actions as Agent may reasonably request to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) Borrower's interest in such licenses or contract rights to be deemed Collateral and for Agent to have a security interest in it that might otherwise be restricted by the terms of the applicable license or agreement, whether now existing or entered into in the future, and (ii) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's rights and remedies under this Agreement and the other Loan Documents.

6.19. Agent Management Call. Borrower will, within 45 days after the close of each Fiscal Quarter of Borrower, at the request of Agent, hold a conference call at a mutually agreeable location and time with Agent on which senior management of Borrower will attend to review and discuss with Agent the financial results of Borrower and its Subsidiaries for the most recently reported period, the financial condition of Borrower and its Subsidiaries, and the projections of Borrower and its subsidiaries for the relevant period and any variances to such projections, and such matters as may otherwise be requested by Agent.

6.20. Further Assurances. At any time and from time to time each Loan Party shall execute and deliver such further instruments and take such further action as may reasonably be requested by Agent to effect the purposes of this Agreement.

6.21. Funds on Deposit Tied to 2023 Audit. For the period between the Closing Date and the date that Borrower delivers to Agent audited consolidated financial statements of the Loan Parties for the fiscal year ended December 31, 2023 prepared in accordance with GAAP, consistently applied, together with an opinion which is unqualified on such financial statements of an independent certified public accounting firm selected by Borrower and reasonably acceptable to Agent, which financial statements shall also be in compliance with SEC rules and regulations, Borrower shall at all times have on deposit in bank accounts maintained at Agent no less than $25,000,000.

7. NEGATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until the outstanding Obligations (other than inchoate indemnification or reimbursement obligations or other obligations which, by their terms, survive this Agreement) are paid in full or for so long as any Lender may have any commitment to make any Credit Extensions, Borrower will not do any of the following:

7.1. Dispositions. Convey, sell, lease, license, transfer or otherwise dispose of (collectively, to "Transfer"), or permit any other Loan Party to Transfer, all or any part of its business or property, or, subject to Section 6.6, move cash balances on deposit with Agent to accounts opened at another financial institution, other than Permitted Transfers.

7.2. Change in Name, Location, Executive Office, or Executive Management; Change in Business; Change in Fiscal Year. Change its name or the Borrower State or relocate its chief executive office without 15 days prior written notification to Agent; permit any other Loan Party to change its name or state of organization or relocate its chief executive office without 15 days' prior written notification to Agent; replace, or permit any other Loan Party to replace, its chief executive officer or chief financial officer (i) without prompt notice to Agent, and (ii) unless a replacement for such officer is approved by such Person's Board of Directors and engaged by such Person within ninety (90) days after such change; engage in any business, or permit any of the other Loan Parties to engage in any business, other than or reasonably related or incidental to the businesses currently engaged in by such Persons; or change or permit any other Loan Party to change, its fiscal year end.

7.3. Mergers or Acquisitions. Enter into any merger or consolidation or permit any other Loan Party to do so; purchase the stock, other equity interests or all or a material portion of the assets of any Person or division of such Person or permit any other Loan Party to do so, other than (i) mergers or consolidations of a Subsidiary into another Subsidiary or (ii) Permitted Acquisitions; or enter into any other transaction outside the ordinary course of Borrower's or any Loan Party's business, including any purchase, redemption or retirement of any shares of any class of its stock or any other equity interest, and any issuance of any shares of, or warrants or other rights to receive or purchase any shares of, any class of its stock or any other equity interest except as permitted by Section 7.6. No Loan Party shall form any Subsidiaries or enter into any joint ventures or partnerships with any other Person, other than Permitted Investments.

7.4. Indebtedness. Create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any other Loan Party to do so, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower or any other Loan Party to prepay any Indebtedness, except (i) Indebtedness to Lenders and (ii) credit card payments in connection with corporate credit cards permitted under clause (k) of the definition of Permitted Indebtedness.

7.5. Encumbrances. Create, incur, assume or allow any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any other Loan Party to do so, except for Permitted Liens, or covenant to any other Person that Borrower in the future will refrain from creating, incurring, assuming or allowing any Lien with respect to any of Borrower's property, or permit any other Loan Party to do so except pursuant to agreements governing Permitted Liens.

7.6. Distributions. Declare or pay any dividends or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock or other applicable equity interest in Parent, except Parent and the other Loan Parties may (a) repurchase the stock of current or former employees, directors, officers or consultants pursuant to stock repurchase agreements as long as no Event of Default shall exist prior to such repurchase and/or would occur after giving effect to such repurchase and provided that the aggregate amount of all such repurchases by Parent and the other Loan Parties does not exceed Two Million Dollars ($2,000,000.00) per fiscal year, (b) convert any of its convertible securities into other equity securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (c) make cash payments in lieu of issuing fractional shares of its stock provided that the amount of such cash payments do not exceed Fifteen Thousand Dollars ($15,000.00) in the aggregate in any fiscal year, (d) pay dividends solely in common stock, (e) make withholdings, holdbacks, tax payments (whether or not such tax is payable by or an obligation of a Loan Party) and repurchases pursuant to Borrower's and Parent's restricted stock unit agreements with Farhan Naqvi and/or in connection with restricted stock units issued to Borrower's employees and consultants as in effect on the Closing Date, (f) Subsidiaries may make dividends and distributions to Loan Parties and (g) pay or declare any dividends or other distributions on Borrower's Equity Interests (except for dividends payable solely in capital stock or other Equity Interests of such Loan Party and dividends and distributions to Borrowers); provided, that, notwithstanding the foregoing, so long as no Default or Event of Default exists or would result therefrom, Borrower may make quarterly distributions to its members to permit such members to pay estimated federal and state income taxes then required to be made by such members as a result of being taxed on all or a portion of such Borrower's net income, as a result of Borrower being a limited liability company.

7.7. Investments. Directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any other Loan Party to do so, other than Permitted Investments, or maintain or invest any of its cash or cash equivalents with a Person other than a Lender or Lender's Affiliates or permit any other Loan Party to do so, unless such Person has entered into a control agreement with Agent on behalf of Lenders (other than with respect to Restricted Accounts), in form and substance satisfactory to Agent, or suffer or permit any other Loan Party to be a party to, or be bound by, an agreement that restricts such Loan Party from paying dividends or otherwise distributing property to Borrower.

7.8. Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, or permit any other Loan Party to do so, except for (a) transactions that are in the ordinary course of such Loan Party's business, upon fair and reasonable terms that are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person, (b) transactions permitted by Sections 7.6 and 7.7, (c) the payment of reasonable and customary compensation and indemnification arrangement and benefit plans for directors, officers and employees in the ordinary course of business, (d) employment and severance arrangements entered into in the ordinary course of business.

7.9. Subordinated Debt. Make any payment in respect of any Subordinated Debt, or permit any other Loan Party to make any such payment, except in compliance with the terms of such Subordinated Debt and the terms of the subordination agreement relating to such Subordinated Debt, or amend any provision of any document evidencing such Subordinated Debt, except in compliance with the terms of the subordination agreement relating to such Subordinated Debt, or amend any provision affecting Lender's rights contained in any documentation relating to the Subordinated Debt without Lender's prior written consent.

7.10. Inventory and Equipment. Store any Material Collateral with a bailee, warehouseman, or similar third party unless the third party has been notified of Agent's security interest and Agent (a) has received a bailment agreement or other acknowledgment from the third party that it is holding or will hold such Material Collateral for Agent's benefit, which bailment agreement or other acknowledgment shall be in form and substance satisfactory to Agent in its Permitted Discretion or (b) is in possession of the warehouse receipt, where negotiable, covering such Material Collateral. Except for Inventory sold in the ordinary course of business and except for such other locations as Agent may approve in writing, each Loan Party shall keep the Inventory and Equipment only at the location set forth in Section 10 and such other locations as are listed on Sections 26 and 27 of the Perfection Certificate or of which Borrower gives Agent prior written notice. No Loan Party shall (a) permit any Equipment to become a Fixture to real property unless such real property is owned by such Loan Party and is subject to a mortgage in favor of Agent, or if such real estate is leased, is subject to a landlord's agreement in favor of Agent on terms acceptable to Agent, or (b) permit any Equipment to become an accession to any other personal property unless such personal property is subject to a first priority lien in favor of Agent.

7.11. No Investment Company; Margin Regulation. Become or be controlled by an "investment company," within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Credit Extension for such purpose, or permit any other Loan Party to do so.

7.12. [Reserved].

7.13. Settling of Accounts. During any Default Period, no Loan Party shall settle or adjust any Account without the consent of Lender.

7.14. Permitted Acquisition. No Loan Party shall incur Indebtedness (excluding Revolving Advances) in connection with any Permitted Acquisition in an aggregate amount not to exceed $5,000,000.

7.15. ERISA. Except as disclosed to the Agent in writing, directly or through any ERISA Affiliate, (a) adopt, create, assume or become a party to any Pension Plan, (b) incur any obligation to contribute to any Multiemployer Plan, (c) incur any obligation to provide post-retirement medical or insurance benefits with respect to employees or former employees (other than benefits required by law) or (d) amend any Plan in a manner that would materially increase its funding obligations.

8. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

8.1. Payment Default. If any Loan Party fails to (a) make any payment of principal or interest on any Obligation on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable;

8.2. Covenant Default.

(a) If any Loan Party fails to perform any obligation under Section 6 (other than Sections 6.3, 6.14(a), 6.17 or 6.18) or violates any of the covenants contained in Section 7 of this Agreement; or

(b) If any Loan Party fails or neglects to perform or observe any other term, provision, condition or covenant contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between any Loan Party and Agent and as to any default under such other term, provision, condition or covenant that can be cured, has failed to cure such default within thirty (30) days after Borrower receives notice thereof or any officer of Borrower becomes aware thereof;

8.3. Material Adverse Change. If a Material Adverse Effect occurs.

8.4. Defective Perfection. If Agent shall receive at any time following the Closing Date an SOS Report indicating that except for Permitted Liens, Agent's security interest in the Collateral is not prior to all other security interests or Liens of record reflected in the report;

8.5. Levy, Seizure or Attachment. If any material portion of any Loan Party's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) days, or if any Loan Party is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of any Loan Party's assets, or if a notice of lien, levy, or assessment is filed of record with respect to any of any Loan Party's assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within thirty (30) days after the applicable Loan Party receives notice thereof, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by the applicable Loan Party (provided that no Credit Extensions will be made during such cure period);

8.6. Insolvency. If any Loan Party becomes insolvent, or if an Insolvency Proceeding is commenced by any Loan Party, or if an Insolvency Proceeding is commenced against any Loan Party and is not dismissed or stayed within forty-five (45) days (provided that no Credit Extensions will be made prior to the dismissal of such Insolvency Proceeding);

8.7. Other Agreements. If there is a default or other failure to perform in any agreement to which any Loan Party is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of $1,000,000 or that would reasonably be expected to have a Material Adverse Effect;

8.8. Subordinated Debt. If any Loan Party makes any payment on account of Subordinated Debt, except to the extent the payment is allowed under any subordination agreement entered into with Agent relating to such Subordinated Debt;

8.9. Judgments. If one or more final judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least $1,000,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against any Loan Party and the same are not within thirty (30) days after the entry thereof, discharged, paid or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that the Agent shall not be required to make any Credit Extensions (and shall be permitted in their sole discretion to decline to make any Credit Extension) prior to the discharge, stay, or bonding of such judgment, order or decree);

8.10. Misrepresentations. If Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Agent, and such representation, warranty, or other statement is incorrect in any material respect when made (it being agreed and acknowledged by Agent that the projections and forecasts provided by Borrower or any of its Subsidiaries in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may materially differ from the projected or forecasted results);

8.11. Guaranty. If any guaranty of all or a portion of the Obligations (each, a "Guaranty") ceases for any reason to be in full force and effect, or any guarantor fails to perform any obligation under any Guaranty or any security agreement securing any Guaranty (collectively, the "Guaranty Documents"), or any event of default occurs under any Guaranty Document or any guarantor revokes or purports to revoke a Guaranty, or any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth in any Guaranty Document or in any certificate delivered to Agent in connection with any Guaranty Document, or if any of the circumstances described in Sections 8.3 through 8.9 occur with respect to any guarantor;

8.12. Change in Control. If any Change in Control occurs; or

8.13. Invalidity of Loan Documents. If any Loan Document, including for the avoidance of doubt, and subordination agreement with respect to any Subordinated Debt, ceases for any reason to be in full force and effect, or any party thereto contests in any manner the validity or enforceability of any Loan Document or any Lien granted pursuant thereto, denies that it has any or further liability or obligation thereunder, or purports to revoke, terminate or rescind any Loan Document.

9. RIGHTS AND REMEDIES.

9.1. Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Agent may, and at the direction of Required Lenders, shall, at their election, without notice of their election and without demand, do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 8.6, all Obligations shall become immediately due and payable without any action by Agent or Lenders);

(b) [Reserved];

(c) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement or under any other agreement between Borrower and Lenders;

(d) (i) enforce collection of any of Borrower's Accounts or other amounts owed to Borrower by suit or otherwise; (ii) exercise all of Borrower's rights and remedies with respect to proceedings brought to collect any Accounts or other amounts owed to Borrower; (iii) surrender, release or exchange all or any part of any Accounts or other amounts owed to Borrower, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder; (iv) sell or assign any Account of Borrower or other amount owed to Borrower upon such terms, for such amount and at such time or times as Agent deems advisable; (v) prepare, file and sign Borrower's name on any proof of claim in bankruptcy or other similar document against any Account Debtor or other Person obligated to Borrower; (vi) do all other acts and things which are necessary, in Agent's sole discretion, to fulfill Borrower's obligations under the Loan Documents and to allow Agent to collect the Accounts or other amounts owed to Borrower; (vii) at Borrower's expense, notify any parties obligated on any of the Accounts to make payment directly to Agent of any amounts due or to become due thereunder; (viii) settle or adjust disputes and claims directly with account debtors for amounts, upon terms and in whatever order Agent considers advisable; and (ix) exercise the remedies described in Section 9.3;

(e) Make such payments and do such acts as Agent or Required Lenders consider necessary or reasonable to protect the Agent's security interest (for the benefit of Lenders) in the Collateral. Borrower agrees to assemble the Collateral if Agent so requires, and to make the Collateral available to Agent as Agent may designate in a location reasonably convenient to Agent. Borrower authorizes Agent to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in Agent's determination appears to be prior or superior to its Lien and to pay all expenses incurred in connection therewith. With respect to any of Borrower's owned premises, Borrower hereby grants Agent a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Agent's rights or remedies provided herein, at law, in equity, or otherwise;

(f) Set off and apply to the Obligations any and all (i) balances and deposits of Borrower held by Agent or any Lender, and (ii) indebtedness at any time owing to or for the credit or the account of Borrower held by Agent or any Lender;

(g) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Agent, on behalf of Lenders, is hereby granted a license or other right, solely pursuant to the provisions of this Section 9.1, to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements shall inure to Agent's benefit;

(h) Sell the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrower's premises) as Agent determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Agent deems appropriate. Agent may sell the Collateral without giving any warranties as to the Collateral. Agent may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. If Agent sells any of the Collateral upon credit, Borrower will be credited only with payments actually made by the purchaser, received by Agent, and applied to the indebtedness of the purchaser. If the purchaser fails to pay for the Collateral, Agent may resell the Collateral and Borrower shall be credited with the proceeds of the sale;

(i) Agent and/or any Lender may credit bid and purchase at any public sale;

(j) Apply for the appointment of a receiver, trustee, liquidator or conservator of the Collateral, without notice and without regard to the adequacy of the security for the Obligations and without regard to the solvency of Borrower, any guarantor or any other Person liable for any of the Obligations; and

(k) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower or any Guarantor.

Agent and Lenders may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

9.2. Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Agent (and any of Agent's designated officers, or employees) as Borrower's true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Agent's security interest in the Accounts; (b) endorse Borrower's name on any checks or other forms of payment or security that may come into Agent's possession, cash or deposit such checks or other items of payment or security, and apply to the Obligations all proceeds of such checks or other items; (c) sign Borrower's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) dispose of any Collateral and apply all cash sale proceeds to the Obligations; (e) make, settle, and adjust all claims under and decisions with respect to Borrower's policies of insurance and apply to the Obligations all amounts received by Agent pursuant to such policies; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms which Agent determines to be reasonable, and apply to the Obligations all amounts received by Agent in connection with any such settlement and adjustment; and (g) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral. The appointment of Agent as Borrower's attorney in fact, and each and every one of Agent's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations (other than inchoate indemnification or reimbursement obligations or other obligations which, by their terms, survive termination of this Agreement) have been fully repaid and performed and Agent's and each Lender's obligation to provide advances hereunder is terminated.

9.3. Accounts Collection. At any time after the occurrence and during the continuation of an Event of Default, Agent may notify any Person owing funds to Borrower of Agent's security interest in such funds and verify the amount of such Account. Borrower shall collect all amounts owing to Borrower for Agent, receive in trust all payments as Agent's trustee, and immediately deliver such payments to Agent in their original form as received from the account debtor, with proper endorsements for deposit.

9.4. Lender Expenses. If Borrower fails to pay any amounts or furnish any required proof of payment due to third persons or entities, as required under the terms of this Agreement, then Agent may do any or all of the following after reasonable notice to Borrower: (a) make payment of the same or any part thereof; (b) set up such reserves under the Revolving Line as Agent deems necessary to protect Lenders from the exposure created by such failure; or (c) obtain and maintain insurance policies of the type discussed in Section 6.5 of this Agreement, and take any action with respect to such policies as Agent reasonably deems prudent. In addition, any contrary provision of this Agreement or any other Loan Document notwithstanding, Agent is hereby authorized by Borrower at any time during the existence of a Default or an Event of Default, to make Revolving Advances to, or for the benefit of, Borrower that Agent, in its sole discretion, deems necessary or desirable) (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Credit Extensions and other Obligations, or (iii) to pay any other amount chargeable to Borrower pursuant to the terms of this Agreement (the "Protective Advances"). Any amounts so paid or deposited by Agent under this Section 9.4 shall constitute Lender Expenses, shall be immediately due and payable, and shall bear interest at the then applicable rate hereinabove provided, and shall be secured by the Collateral. Any payments made by Agent shall not constitute an agreement by Agent to make similar payments in the future or a waiver by Agent of any Event of Default under this Agreement.

9.5. Liability for Collateral. Neither Agent nor any Lender has any obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by the Loan Parties, absent gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment on the part of the Agent.

9.6. No Obligation to Pursue Others. Neither Agent nor any Lender has any obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and Agent may release, modify or waive any Collateral provided by any other Person to secure any of the Obligations, all without affecting Agent's or Lenders' rights against Borrower. Borrower waives any right it may have to require Agent or any Lender to pursue any other Person for any of the Obligations.

9.7. Remedies Cumulative. Agent's and Lenders' rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Agent and Lenders shall have all other rights and remedies not inconsistent herewith as provided under the UCC, by law, or in equity. No exercise by Agent or Lenders of one right or remedy shall be deemed an election, and no waiver by Agent of any Event of Default on Borrower's part shall be deemed a continuing waiver. No delay by Agent or Lenders shall constitute a waiver, election, or acquiescence by it or them, as applicable. No waiver by Agent or Lenders shall be effective unless made in a written document signed on behalf of Agent or Lenders, as applicable, and then shall be effective only in the specific instance and for the specific purpose for which it was given. Borrower expressly agrees that this Section 9.7 may not be waived or modified by Agent or Lenders by course of performance, conduct, estoppel or otherwise.

9.8. Demand; Protest. Except as otherwise provided in this Agreement, Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment and any other notices relating to the Obligations.

10. NOTICES.

Unless otherwise provided in this Agreement, all notices, demands and other communications by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements, compliance certificates and other informational documents which may be sent by first-class mail, postage prepaid or e-mail) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by telefacsimile to Borrower or to Lender, as the case may be, at its addresses set forth below:

If to Borrower:	ILEARNINGENGINES HOLDINGS, INC. 6701 Democracy Boulevard, Suite 300 Bethesda, MD 20817 Attn: [***] E-mail: [***]
If to Lender:	EAST WEST BANK 535 Madison Ave., 8th Fl. New York, NY 10022 Attn: [***] E-mail: [***]
With a copy to:	OTTERBOURG P.C. 230 Park Avenue, 29th Floor New York, New York 10169 Attention: [***] E-mail: [***]

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL PREFERENCE.

11.1. Governing Law and Venue. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each of Borrower, Agent and Lenders each submit to the exclusive jurisdiction of the state and Federal courts located in the County of Los Angeles, State of California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Agent or Lenders from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Agent and/or Lenders. Each of Borrower, Agent and Lenders expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each of Borrower, Agent and Lenders hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or *forum non conveniens* and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each of Borrower, Agent and Lenders hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

11.2. JURY TRIAL WAIVER. BORROWER, AGENT AND LENDERS EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

11.3. JUDICIAL REFERENCE PROVISION. WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Los Angeles County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Los Angeles County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential, and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Los Angeles County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure§ 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

12. GENERAL PROVISIONS.

12.1. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties and shall bind all persons who become bound as a debtor to this Agreement; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without the prior written consent of the Agent and Required Lenders, which each such consent may be granted or withheld in the Agent's or such Lender's sole discretion, as applicable. Agent shall have the right to sell, transfer, assign negotiate, or grant participation in all or any part of, or any interest in, such Lender's obligations, rights and benefits hereunder. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Agent shall not assign its interests in the Loan Documents to any Person who, in the reasonable estimation of Lender, is a direct competitor of Borrower.

12.2. Indemnification. Borrower shall defend, indemnify and hold harmless Lenders and their respective officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement and/or the Loan Documents; and (b) all losses or Lender Expenses in any way suffered, incurred, or paid by any Lender, its officers, employees and agents as a result of or in any way arising out of, following, or consequential to transactions between Lenders and Borrower whether under this Agreement, or otherwise (including without limitation reasonable attorneys fees and expenses), except, in each case, for obligations, demands, claims, liabilities, losses and expenses caused by Agent and or Lenders' gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. This Section 12.2 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

12.3. Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

12.4. Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12.5. Correction of Loan Documents. Agent may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.6. Amendments in Writing, Integration. All amendments, modifications, waivers and consents to or terminations of this Agreement or the other Loan Documents, must be in writing signed by the Loan Parties and the Required Lenders, and such additional Lenders as set forth below.. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the other Loan Documents, if any, are merged into this Agreement and the Loan Documents.

(a) Lender Consent. Notwithstanding the foregoing, no amendment, modification, waiver or consent shall:

(i) extend or increase any commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Section 3 or the waiver of any Default shall not constitute an extension or increase of any commitment of any Lender);

(ii) reduce or forgive the principal of, or rate of interest specified herein on, any Advance or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the default rate set forth in Section 2.2(b) or to waive the obligation of the Borrower to pay interest at such default rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Advance or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Advance, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(v) affect the rights or duties hereunder or under any other Loan Document of the Agent, unless in writing executed by the Agent, in each case in addition to the Borrower and the Lenders required above; or

(vi) change or amend Section 12.12, Section 12.13 or any other provision of this Agreement providing for pro rata treatment of Lenders, in each case, without the written consent of each Lender;

(vii) release any Guarantor from its obligation under its guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender;

(viii) release all or substantially all of the Collateral (except as otherwise expressly permitted herein or in the other Loan Documents) without the written consent of each Lender;

(ix) subordinate the Obligations or the Liens granted under the Loan Documents, to any other Indebtedness or Liens, without the written consent of each Lender;

(x) change or amend Section 6.7 without the written consent of Required Lenders, and each Lender as of the Closing Date (which, for the avoidance of doubt, is solely East West Bank).

(b) In addition, notwithstanding anything in this Section to the contrary, if the Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Agent within five (5) Business Days following receipt of notice thereof.

(c) If any Lender is a Non-Consenting Lender, then the Agent may upon notice to such Lender, require such Lender to assign and delegate, without recourse, all of its interests, rights (other than its existing rights to payments) and obligations under this Agreement and the related Loan Documents to an assignee permitted hereunder that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) such Non-Consenting Lender shall have received, as applicable, payment of an amount equal to the outstanding principal of its Credit Extensions, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee or the Borrower, as applicable; and

(ii) the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Agent to require such assignment and delegation cease to apply.

12.7. Counterparts; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agent \constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.1, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Lender to accept electronic signatures in any form or format without its prior written consent.

12.8. Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations (other than inchoate indemnification and reimbursement obligations and other obligations which, by their terms, survive termination of this Agreement) remain outstanding or Lenders have any obligation to make any Credit Extension to Borrower. The obligations of Borrower to indemnify Lenders with respect to the expenses, damages, losses, costs and liabilities described in Section 12.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Lenders have run.

12.9. Confidentiality. In handling any confidential information, Agent and Lenders and all employees and agents of Agent and Lenders shall exercise the same degree of care that each Lender exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that disclosure of such information may be made (i) to the subsidiaries or Affiliates of Lenders in connection with their present or prospective business relations with Borrower, (ii) to prospective transferees or purchasers of any interest in the Loans, provided that they have entered into a comparable confidentiality agreement in favor of Borrower and have delivered a copy to Borrower, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) as may be required in connection with the examination, audit or similar investigation of Lender, (v) to Lenders' accountants, auditors and regulations, and (vi) as Lender may determine in connection with the enforcement of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of Lender when disclosed to Lender, or becomes part of the public domain after disclosure to Lender through no fault of Lender; or (b) is disclosed to Lender by a third party, provided Lender does not have actual knowledge that such third party is prohibited from disclosing such information. Notwithstanding the foregoing, Borrower hereby consents to Agent and/or any Lender publishing a tombstone or similar advertising material relating to the financial transaction contemplated by this Agreement.

12.10. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens as account, all in compliance with the Patriot Act. WHAT THIS MEANS FOR YOU: when you open an account, we will ask your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Agent hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Agent to identify Borrower in accordance with the Patriot Act. Borrower shall, promptly following a request by Agent, provide all documentation and other information that Agent requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act. Agent will require Borrower to provide identifying information about each beneficial owner or individuals who have significant responsibility to control, manage or direct the legal entity.

12.11. No Consequential Damages. No party to this Agreement or any other Loan Document, nor any agent or attorney of such party or Agent, shall be liable to any other party to this Agreement or any other Person on any other theory of liability of any special, indirect, consequential or punitive damages.

12.12. Application of Payments and Proceeds. Upon the occurrence and during the continuance of an Event of Default and after the acceleration of the principal amount of any of the Credit Extensions, all payments and proceeds in respect of any of the Obligations received by the Agent or any Lender under any Loan Document, including any proceeds of any sale of, or other realization upon, all or any part of the Collateral, shall be applied as follows:

first, to the payment of all Lender Expenses of Agent in connection with enforcing its rights and the rights of Lenders under this Agreement and the other Loan Documents, and any Protective Advances funded by Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

second, to payment of any fees owed to Agent;

third, to the payment of all Lender Expenses of each of the Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

fourth, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute, would have accrued on such amounts);

fifth, to the principal amount of the Obligations;

sixth, to the payment of all Hedging Obligations;

seventh, to any other Obligations owing to Lender under the Loan Documents; and

eighth, to the Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct.

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (b) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category.

12.13. Adjustments; Set-off.

(a) If any Lender (a "Benefitted Lender") shall at any time exercise any set-off right or receive any payment of all or part of its Revolving Advances, or interest thereon, or fees, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to bankruptcy or insolvency proceedings or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Revolving Advances, or interest thereon, or fees, such Benefitted Lender shall purchase for cash from the other Lenders such portion of each such other Lender's Revolving Advances or fees, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The Borrower agrees that each Lender so purchasing a portion of another Lender's Revolving Advances may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion, provided that, for the avoidance of doubt but subject to the foregoing provisions of this Section 12.13(a), any Lender shall have the right (without further consent of the Borrower, the Agent or any other Lender), exercisable upon the occurrence and during the continuance of an Event of Default, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, to set-off and appropriate and apply against any such Obligations any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof or bank controlling such Lender to or for the credit or the account of the Borrower.

(b) In addition to any rights and remedies of the Agent provided by law, the Agent shall have the right (without further consent of the Borrower or any other Lender), exercisable upon the occurrence and during the continuance of an Event of Default, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, to set-off and appropriate and apply against any Obligations, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Agent or any branch or agency thereof or bank controlling the Agent to or for the credit or the account of the Borrower.

12.14. Register. Lender, acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain at one of its offices in the United States a copy of each assignment and assumption of any Credit Extensions delivered to it and a register for the recordation of the names and addresses of Agent and its permitted assigns, and the applicable commitments of, and principal amounts (and stated interest) of the applicable Credit Extensions owing to, Agent and its permitted assigns pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Loan Parties, Lender, and Lender's permitted assigns shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties at any reasonable time and from time to time upon reasonable prior notice.

12.15. Participation.

(a) Borrower agrees that each person to which Lender sells any participation (such person, a "Participant") shall be entitled to the benefits of Section 2.7 (subject to the requirements and limitations therein, including the requirements under Section 2.7(f) (it being understood that the documentation required under Section 2.7(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.1; provided that such Participant (i) agrees to be subject to the provisions of Section 2.7 as if it were an assignee under Section 12.1; and (ii) shall not be entitled to receive any greater payment under Section 2.5 or 2.7, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after such Participant acquired the applicable participation.

(b) If Agent sells any participation, Agent shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Credit Extensions or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit, or other obligation is in registered form under Treasury Regulations Section 5f.103-1(c). The entries in the Participant Register shall be conclusive absent manifest error, and Agent shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

13. AGENT.

13.1. Appointment and Duties. For the avoidance of doubt and notwithstanding anything else herein:

(a) Each Lender hereby appoints Agent (together with any successor Agent) as agent hereunder and authorizes Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Loan Party, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (iii) exercise such powers as are incidental thereto.

(b) Without limiting the generality of clause (a) above, Agent shall have the sole and exclusive right and authority (to the exclusion of the other Lenders), and is hereby authorized, to (i) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in connection with the Loan Documents, and each Person making any payment in connection with any Loan Document to any Lender is hereby authorized to make such payment to Agent, (ii) file and prove claims and file other documents necessary or desirable to allow the claims of Lenders with respect to any Obligation in any Insolvency Proceeding or any other bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (iii) act as collateral agent for each Lender for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (iv) manage, supervise and otherwise deal with the Collateral, (v) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (vi) except as may be otherwise specified in any Loan Document, exercise all remedies given to Agent and the other Lenders with respect to the Collateral, whether under the Loan Documents, applicable law or otherwise and (vii) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for Agent, Lenders for purposes of the perfection of Liens with respect to any deposit account maintained by a Loan Party with, and cash and cash equivalents held by, such Lender, and may further authorize and direct Lenders to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(c) Under the Loan Documents, Agent (i) is acting solely on behalf of Lenders, with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Agent", the terms "agent", "Agent" and "collateral agent" and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (ii) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Person and (iii) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (i) through (iii) above.

13.2. Binding Effect. Each Lender, by accepting the benefits of the Loan Documents, agrees that (a) any action taken by Agent in accordance with the provisions of the Loan Documents and (b) the exercise by Agent of the powers set forth herein or therein, together with such other powers as are incidental thereto, shall be authorized and binding upon all of Lenders.

13.3. Use of Discretion.

(a) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise; provided, that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable requirement of law.

(b) Agent shall provide copies of the various deliverables provided to it by the Borrower pursuant to clauses 6.2 and 6.9 hereof to the other Lenders; provided that Agent shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or its Affiliates that is communicated to or obtained by Agent or any of its Affiliates in any capacity other than its capacity as Agent hereunder.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with the Loan Documents for the benefit of all Lenders; provided that the foregoing shall not prohibit (i) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (ii) any Lender from exercising set-off rights in accordance with the terms hereof or (iii) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any bankruptcy or other debtor relief law.

13.4. Delegation of Rights and Duties. Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Lender), provided that Agent shall be liable for all acts or failures to act of any such Person to the same extent as Agent would be if Agent performed such action. Any such Person shall benefit from this Article 13 to the extent provided by Agent.

13.5. Reliance and Liability.

(a) Agent may, without incurring any liability hereunder, (i) treat the payee of any note issued hereunder as its holder until such note has been assigned in accordance with the terms of this Agreement, (ii) rely on the Register, (iii) consult with any advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Loan Party) and (iv) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(b) None of Agent and its officers, employees, affiliates or agents shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender, each Borrower and each other Loan Party hereby waive and shall not assert (and each Borrower shall cause each other Loan Party to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting from the gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment of Agent or, as the case may be, such officers, employees, affiliates or agents (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein.

(c) Each Lender (i) acknowledges that it has performed and will continue to perform its own diligence and has made and will continue to make its own independent investigation of the operations, financial conditions and affairs of Loan Parties and (ii) agrees that is shall not rely on any audit or other report provided by Agent.

13.6. Agent Individually. Agent and its Affiliates may make loans and other extensions of credit to, acquire Equity Interests of, engage in any kind of business with, any Loan Party or Affiliate thereof as though it were not acting as Agent and may receive separate fees and other payments therefor. To the extent Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the term "Lender" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include, without limitation, Agent or such Affiliate, as the case may be, in its individual capacity as Lender.

13.7. Lender Credit Decision. Each Lender acknowledges that it shall, independently and without reliance upon Agent, any Lender or upon any document (including any offering and disclosure materials in connection with the syndication of the Credit Extensions) solely or in part because such document was transmitted by Agent, conduct its own independent investigation of the financial condition and affairs of each Loan Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Agent to Lenders, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come in to the possession of Agent or any of its Related Persons, except to the extent of any costs and expenses resulting from the gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment of Agent or, as the case may be, such officers, employees, affiliates or agents (each as determined in a final, non-appealable judgment by a court of competent jurisdiction).

13.8. Expenses; Indemnities.

(a) Each Lender agrees to reimburse Agent and each of its Related Persons (to the extent not reimbursed by any Loan Party) promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Taxes paid in the name of, or on behalf of, any Loan Party) that may be incurred by Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including, without limitation, preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to its rights or responsibilities under, any Loan Document.

(b) Each Lender further agrees, within thirty (30) days after demand therefor, to indemnify Agent (to the extent not reimbursed by any Loan Party), severally and ratably, from and against liabilities that may be imposed on, incurred by or asserted against Agent in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Agent or any of its Related Persons under or with respect to any of the foregoing except to the extent of liabilities resulting from the gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment of Agent or, as the case may be, such officers, employees, affiliates or agents (each as determined in a final, non-appealable judgment by a court of competent jurisdiction). A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent demonstrable error. Each Lender hereby authorizes Agent to apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to such Lender from any other source against any amount due to Agent under this Section 13.8(b).

13.9. Resignation of Agent.

(a) Agent may resign at any time by delivering notice of such resignation to Lenders and Borrower, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective in accordance with the terms of this Section 13.9. If Agent delivers any such notice, Lenders shall have the right to appoint a successor Agent. If, after thirty (30) days after the date of retiring Agent's notice of resignation, no successor Agent has been appointed by Lenders that has accepted such appointment, then the retiring Agent may, on behalf of Lenders, appoint a successor Agent from among Lenders.

(b) Effective immediately upon its resignation, (i) the retiring Agent shall be discharged from its duties and obligations under the Loan Documents, (ii) Lenders shall assume and perform all of the duties of Agent until a successor Agent shall have accepted a valid appointment hereunder, (iii) the retiring Agent shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Agent was, or because such Agent had been, validly acting as Agent under the Loan Documents and (iv) the retiring Agent shall take such action as may be reasonably necessary to assign to the successor Agent its rights as Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Agent, a successor Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Agent under the Loan Documents.

13.10. Release of Collateral or Guarantors. Each Lender hereby consents to the release and hereby directs Agent to release or subordinate the following:

(a) any Subsidiary of Borrower from its guaranty of any Obligation if all of the equity interests of such Subsidiary are sold or transferred in a transaction permitted by the Loan Documents; and

(b) any Lien held by Agent for the benefit of Lenders against (i) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Loan Party in a transaction permitted by the Loan Documents (including pursuant to a waiver or consent), (ii) any property subject to a Lien permitted under clause (n) of the definition of Permitted Lien and (iii) all of the Collateral and all Loan Parties, upon termination of the Revolving Line or the occurrence of the Revolving Maturity Date.

Each Lender hereby directs Agent, and Agent hereby agrees, upon receipt of notice from the Borrower, to execute and deliver or file such documents and to perform other actions reasonably necessary to release the guaranties and Liens when and as directed in this Section 13.10.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

BORROWER:

ILEARNINGENGINES HOLDINGS, a Delaware corporation

By: /s/ Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

LENDERS:

EAST WEST BANK, a California banking corporation

By: /s/ Jack Grady
Name: Jack Grady
Title: Senior Vice President

EXHIBIT A

DEFINITIONS

"Accounts" means all presently existing and hereafter arising "accounts," as such term is defined in Section 9102 of the UCC, contract rights, instruments (including those evidencing indebtedness owed to Borrower by its Affiliates), general intangibles, payment intangibles, chattel paper (including electronic chattel paper) and all other forms of obligations owing to Borrower arising out of the sale or lease of goods or inventory (including, without limitation, the licensing of digital content, software and other technology) or the rendering of services by Borrower and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower and Borrower's Books relating to any of the foregoing.

"Acquisition" means, with respect to any Person, (a) the purchase or other acquisition by such Person or its Subsidiaries of all or substantially all of the assets of (or any division or business line of) any other Person, or (b) the purchase or other acquisition (whether by means of a merger, consolidation, or otherwise) by such Person or its Subsidiaries of a controlling interest in (or all or substantially all of) the Equity Interests of any other Person.

"Adjusted EBITDA" means for any period, Net Income (loss), plus (in each case to the extent deducted in determining Net Income for such period) (a) depreciation and amortization expense, (b) non-cash charges, costs or expenses, including non-cash stock-based compensation expense, (c) net interest expense, (d) tax expense, (e) extraordinary or unusual non-recurring charges, costs or expenses, (f) fees and expenses paid or payable in cash incurred or paid by any Loan Party in connection with the Loan Documents, any amendments thereto and the transactions contemplated thereby, (g) transactional fees and costs incurred in connection with the transactions contemplated by the Merger Agreement, Permitted Acquisitions, and Permitted Investments, (h) the amount of "run rate" net cost savings, cost synergies, and operating expense reductions projected by the Borrower in good faith to be realized as a result of specified actions taken prior to the end of such period, or with respect to any net cost savings, cost synergies and/or operating expense reductions arising solely as a result of a Permitted Acquisition which are expected to be taken within 18 months of the closing of such Permitted Acquisition, in each case net of the amount of actual benefits realized during such fiscal period from such actions;provided that, such amount shall not exceed $1,000,000 per calendar year, and (i) expenses and charges (including with respect to investments, dividends, joint ventures, sales of assets, costs associated with the incurrence or refinancing of indebtedness, litigation and settlement costs, restructuring and similar charges accruals, reserves, costs and expenses) as may be pre-approved by Agent in Agent's reasonable discretion.

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to Term SOFR for such calculation; provided, that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Affiliate" means, with respect to any Person, any other Person (a) which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such Person, (b) which beneficially owns or holds ten percent (10%) or more of the voting control or equity interests of such Person, or (c) ten percent (10%) or more of the voting control or equity interests of which is beneficially owned or held by such Person.

"Approved Fund" means any Fund that is administered or managed by (a) Agent, (b) an Affiliate of Agent or (c) an entity or an Affiliate of an entity that administers or manages Lender.

"Applicable Margin" means three and one half of one percent (3.50%).

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.2(d)(iv).

"Availability" means, at any time, the amount, if any, by which (a) the Maximum Revolving Advances Limit exceeds (b) the sum of (i) the outstanding principal balance of the Revolving Advances, and (ii) all applicable Reserves.

"Average Monthly Balance" means the amount derived from adding the ending outstanding balance under the Revolving Line for each day in the month and dividing by the number of days in the month.

"Bank Products" means any service or facility extended to any Loan Party by Agent or any Affiliate of Lender, or procured for such Loan Party from any third party by Agent or any Affiliate of Agent by means of a full-recourse agreement or other credit support extended to such third party including: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services, (g) letters of credit, or (h) Hedging Agreements.

"Base Rate" means, for any day, a per annum rate equal to the Adjusted Term SOFR for a one- or three-month interest period as of such day, plus 3.75%; *provided, that* in no event shall the Base Rate be less than 4.00%.

"Base Rate Loan" means the portion of any Revolving Advance that bears interest based on the Base Rate.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.10.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Agent as the replacement for the then-current Benchmark giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Agent giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated bilateral credit facilities at such time.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the ninetieth (90^{th}) day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than ninety (90) days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any other Loan Document in accordance with Section 2.10 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under this Agreement or any Loan Document in accordance with Section 2.10.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially in form and substance satisfactory to Lender.

"Beneficial Ownership Regulation" means 31 C.F.R. Section 1010.230.

"Borrower State" means Delaware, the state under whose laws Borrower is organized.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which commercial banks in Los Angeles, California, are authorized or required to close.

"Capital Expenditures" means with respect to any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including expenditures for capitalized lease obligations) by the Loan Parties during such period that are required by GAAP, to be included in or reflected by the property, plant and equipment or similar fixed asset accounts (or intangible accounts subject to amortization) on the balance sheet of the Loan Parties.

"Change in Control" means (a) an event (or series of events) by which any Person (other than the shareholders as of the Closing Date), entity or "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 and/or 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of more than 40% of the shares of any class of stock then outstanding of Parent entitled to vote in an election of directors (or equivalent governing body) of Parent, who did not have such power before such transaction; or (b) Parent shall cease to own 100% of the equity interests of each of its Subsidiaries, other than in connection with a transaction permitted pursuant to this Agreement.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Chief Executive Office State" means Maryland, the state in which Borrower's chief executive office is located.

"Closing Date" means the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder, all as in effect from time to time.

"Collateral" means the property described on Exhibit B attached hereto.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate in the form attached hereto as Exhibit D, with appropriate insertions.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.10 and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business or customary indemnity obligations entered into in connection with any acquisition or any disposition permitted hereunder. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Controlled Group" means a controlled group of corporations as defined in 26 U.S.C. § 1563.

"Copyrights" means, collectively:

(a) All present and future United States registered copyrights and copyright registrations (including all of the exclusive rights afforded a copyright registrant in the United States under 17 U.S.C. Section 106 and any exclusive rights which may in the future arise by act of Congress or otherwise), and all present and future applications for copyright registrations (including applications for copyright registrations of derivative works and compilations) (collectively, "Registered Copyrights"), and any and all royalties, payments and other amounts payable to any Loan Party in connection with Registered Copyrights, together with all renewals and extensions of Registered Copyrights, the right to recover for all past, present and future infringements of Registered Copyrights, and all computer programs and tangible property embodying or incorporating Registered Copyrights, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto; and

(b) All present and future copyrights, Mask Works, computer programs and other rights subject to (or capable of becoming subject to) United States copyright protection which are not registered in the United States Copyright Office (collectively, "Unregistered Copyrights"), whether now owned or hereafter acquired, and any and all royalties, payments, and other amounts payable to any Loan Party in connection with Unregistered Copyrights, together with all renewals and extensions of Unregistered Copyrights, the right to recover for all past, present and future infringements of Unregistered Copyrights, and all computer programs and all tangible property embodying or incorporating Unregistered Copyrights, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto.

"Credit Extension" means each Revolving Advance, or any other extension of credit by Lenders to or for the benefit of Borrower hereunder.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Period" means the period of time commencing on the day an Event of Default occurs and continuing through the date the Event of Default has been cured or waived.

"Dollars," "dollars" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"Embargoed Person" means (a) any country or territory that is the target of a sanctions program administered by OFAC or (b) any Person that (i) is or is owned or controlled by a Person publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by OFAC, (ii) is the target of a sanctions program or sanctions list (A) administered by OFAC, or (B) under the Iran Sanctions Act, as amended, section 1245 of the National Defense Authorization Act for Fiscal Year 2012 or Executive Order 13590 "Authorizing the Imposition of Certain Sanctions with respect to the Provision of Services, Technology or Support for Iran's Energy and Petro-chemical Sectors," effective November 21, 2011 (collectively, "Sanctions") or

(iii) resides, is organized or chartered, or has a place of business in a country or territory that is the subject of a sanctions program administered by OFAC.

"Environmental Laws" means all federal, state, district, local and foreign laws, rules, regulations, ordinances, and consent decrees relating to health, safety, hazardous substances, pollution and environmental matters, as now or at any time hereafter in effect, applicable to any Loan Party's business or facilities owned or operated by any Loan Party, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contamination, chemicals, or hazardous, toxic or dangerous substances, materials or wastes into the environment (including ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials.

"Equipment" means all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which any Loan Party has any interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, modified or restated from time to time.

"ERISA Affiliate" means any Person who for purposes of Title IV of ERISA is a member of Borrower's Controlled Group, or under common control with any Loan Party, within the meaning of Section 414 of the Code.

"Event of Default" has the meaning assigned in Section 8.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guarantee of or grant of security interest by such Loan Party becomes effective with respect to such related Swap Obligation (such determination being made after giving effect to any applicable keepwell, support, or other agreement for the benefit of the applicable Loan Party).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to, or required to be withheld or deducted from a payment to, Agent or any other recipient of any payment hereunder or under any other Loan Document, (a) Taxes imposed on or measured by overall gross or net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed on it by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of Agent with respect to an applicable interest in a Credit Extension pursuant to a Law in effect on the date on which (i) Agent acquires such interest in the Credit Extension or (ii) Agent changes its lending office, except in each case to the extent that, pursuant to Section 2.7, amounts with respect to such Taxes were payable either to Lender's assignor immediately before Agent became a party hereto or to Agent immediately before it changed its lending office, (c) Taxes attributable to such recipient's failure to comply with Section 2.7(f), and (d) withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement 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.

"Fiscal Year" means each twelve (12) month accounting period of the Loan Parties, which ends on December 31 of each year.

"Fixed Charge Coverage Ratio" shall mean, for the applicable measurement period, the ratio of (i) Adjusted EBITDA, minus unfunded Capital Expenditures, minus unfunded distributions, to (ii) the sum of Borrower's principal and interest payments on Indebtedness.

"Floor" means four percent (4.00%) per annum.

"Funded Debt" means, with respect to any Person, without duplication, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness that by its terms matures more than one year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, and specifically including capitalized lease obligations, current maturities of long-term debt, revolving credit and short term debt extendible beyond one year at the option of the debtor, and also including, in the case of Borrowers, the Obligations, all Subordinated Debt and, without duplication, Indebtedness consisting of guaranties of Funded Debt of other Persons; provided, that the principal amount of all Subordinated Debt owing to Experion Technologies, FZ LLC shall not constitute "Funded Debt."

"GAAP" means United States generally accepted accounting principles, consistently applied, as in effect from time to time.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, 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" means any Person that now or in the future guarantees the Obligations of Borrower under the Loan Documents pursuant to a document in form and substance satisfactory to Agent in its Permitted Discretion.

"Hazardous Materials" means any hazardous, toxic or dangerous substance, materials and wastes, including hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including any that are or become classified as hazardous or toxic under any Environmental Law).

"Hedging Agreements" means any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including dollar denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants or any similar derivative transactions.

"Hedging Obligation" means, with respect to any Person, any liability of such Person under any Hedging Agreements. The amount of any Person's obligations in respect of any Hedging Obligation shall be deemed to be the incremental obligations that would be reflected in the financial statements of such Person in accordance with GAAP.

"Increasing Lender" shall have the meaning set forth in Section 2.11 hereof.

"Indebtedness" of a Person means at any time the sum at such time of: (a) indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (b) any obligations of such Person in respect of letters of credit, banker's or other acceptances or similar obligations issued or created for the account of such Person; (c) lease indebtedness, liabilities and other obligations of such Person with respect to capital leases; (d) obligations of third parties which are being guarantied or indemnified against by such Person or which are secured by the property of such Person; (e) any obligation of such Person under an employee stock ownership plan or other similar employee benefit plan; (f) any obligation of such Person or a commonly controlled entity to a multi-employer plan; and (g) any obligations, liabilities or indebtedness, contingent or otherwise, under or in connection with, transactions, agreements or documents now existing or hereafter entered into, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging fluctuations in interest or exchange rates, loan, credit exchange, security or currency valuations or commodity prices; but excluding (i) trade payables incurred in the ordinary course of such Person's business that are not more than 90 days past due (other than trade payables subject to a good faith dispute), (ii) accruals for payroll and deferred compensation arrangements, in each case, not past due and incurred in the ordinary course of business, (iii) royalty payments not past due and payable in the ordinary course of business in accordance with customary trade terms and which are not overdue (as determined in accordance with customary trade practices) or which are being disputed in good faith by such Person and for which adequate reserves are being provided on the books of such Person in accordance with GAAP consistently applied.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Loan Parties under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Insolvency Proceeding" means any proceeding commenced by or against any Person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intellectual Property" has the meaning assigned in Section 5.9.

"Interest Expense" means, for any period, for the Loan Parties on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses (excluding closing costs associated with this transaction) in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets during such period, plus (b) all payments made under interest rate Hedging Agreements during such period to the extent not included in clause (a) of this definition, minus (c) all payments received under interest rate Hedging Agreements during such period, plus (d) the portion of rent expense with respect to such period under capital leases that is treated as interest in accordance with GAAP.

"Investment" means any beneficial ownership of (including stock, partnership or limited liability company interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

"IRS" means the United States Internal Revenue Service.

"Laws" means all ordinances, statutes, rules, regulations, orders, injunctions, writs, or decrees of any Governmental Authority.

"Lender Expenses" means all costs or expenses (including attorneys' fees and expenses (which shall be reasonable prior to the occurrence and continuance of an Event of Default), whether generated in-house or by outside counsel) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; Collateral field examination fees; and Agent and Lenders' attorneys' fees and expenses (which shall be reasonable prior to the occurrence and continuance of an Event of Default) (whether generated in-house or by outside counsel) incurred in amending, enforcing or defending the Loan Documents (including fees and expenses (which shall be reasonable prior to the occurrence and continuance of an Event of Default) of appeal), at any time, including before, during and after an Insolvency Proceeding, whether or not suit is brought.

"Leverage Ratio" means the ratio of (i) all Funded Debt to (ii) Adjusted EBITDA.

"Lien" means any security interest, mortgage, deed of trust, pledge, lien, charge, judgment lien, assignment, financing statement, encumbrance, title retention agreement or analogous instrument or device, including the interest of each lessor under any capitalized lease and the interest of any bondsman under any payment or performance bond, in, of or on any assets or properties of a Person, whether now owned or subsequently acquired and whether arising by agreement or operation of law, all whether perfected or unperfected.

"Liquidity" means, as of any date of determination, the sum of (a) Borrower's unrestricted cash and cash equivalents held with Agent or held at another financial institution and subject to an account control agreement or other appropriate instrument in favor of Agent and in form and substance reasonably satisfactory to Agent, plus (b) the lesser of (i) the Maximum Revolving Advances Limit, or (ii) the Maximum Revolving Advances Limit minus the outstanding amount of all Revolving Advances.

"Loan Documents" means, collectively, this Agreement and all other agreements, instruments and documents, including promissory notes, guaranties, deeds of trust, mortgages, pledges, powers of attorney, consents, assignments, contracts, notices, security agreements, leases, financing statements, Hedging Agreements and all other writings heretofore, now or from time to time hereafter executed by or on behalf of Borrower, any other Loan Party or any other Person and delivered to Agent or to any parent, Affiliate or Subsidiary of Agent in connection with the Obligations or the transactions contemplated hereby, as each of the same may be amended, modified or supplemented from time to time.

"Loan Party" means Borrower and each Guarantor, and " Loan Parties" means Borrower and all Guarantors, collectively.

"Loan Party's Books" means all of each Loan Party's books and records including: ledgers; records concerning such Loan Party's assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

"Mask Works" means mask works or similar rights available for the protection of semiconductor chips, whether now owned or hereafter acquired by any Loan Party.

"Material Adverse Effect" means any of the following: (a) a material adverse change in, or material adverse effect upon, the business, financial condition or operations of the Loan Parties and their Subsidiaries taken as a whole; (b) a material impairment of the ability the Loan Parties and their Subsidiaries taken as a whole, to perform their respective obligations under the Loan Documents as they become due; or (c) a material adverse effect upon: (i) the legality, validity, binding effect or enforceability of any Loan Document to which any Loan Party is a party against the Loan Parties and their Subsidiaries taken as a whole; or (ii) the rights and remedies of Agent under or in respect of any Loan Document.

"Material Collateral" means Collateral with an aggregate value in excess of $1,000,000.

"Maximum Revolving Advances Limit" means $40,000,000.

"Merger Agreement" shall mean the Agreement and Plan of Merger and Reorganization including all exhibits and schedules thereto dated as of April 27, 2023 between ARROWROOT ACQUISITION CORP., ARAC MERGER SUB, INC. and Borrower.

"Multiemployer Plan" means a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) to which any Loan Party or any ERISA Affiliate contributes or is obligated to contribute.

"Negotiable Collateral" means all of each Loan Party's present and future letters of credit of which it is a beneficiary, drafts, instruments (including promissory notes), securities, Documents, documents of title and Chattel Paper, and each Loan Party's Books relating to any of the foregoing.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 12.6 and (b) has been approved by the Required Lenders.

"Net Income" means, as calculated on a consolidated basis for Parent and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for Taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

"Obligations" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Revolving Advances, (b) [reserved], (c) all liabilities of any Loan Party to each Lender or to any Affiliate of any Lender arising out of or relating to Bank Products, (d) Lender Expenses, (e) Hedging Obligations of any Loan Party, and (f) all other fees and commissions (including Lender Expenses), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Loan Parties and each of their respective Subsidiaries to each Lender or to any parent, affiliate or subsidiary of each Lender of every kind, nature and description, direct or indirect, primary or secondary, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, whether several, joint, or joint and several, and whether or not evidenced by any note, and including any debt, liability or obligation owing from any Loan Party to others that each Lender may have obtained by assignment or otherwise, and interest and fees that accrue after the commencement by or against any Loan Party of any bankruptcy or similar proceeding, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, Obligations shall not include any Excluded Swap Obligation.

"OFAC" means the United States Office of Foreign Assets Control.

"Other Connection Taxes" means, with respect to the Agent, any Lender or any other recipient of any payment under any Loan Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Credit Extension or Loan Document).

"Other Taxes" means all present or future stamp, court or 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 security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment at the request of a Loan Party).

"Overadvance" means that the aggregate outstanding Revolving Advances on any date exceeds the Maximum Revolving Advances Limit.

"Owner" means with respect to Borrower, each Person having legal or beneficial title to an ownership interest in Borrower or a right to acquire such an interest.

"Parent" means any ILEARNINGENGINES, INC., a Delaware corporation.

"Participant" has the meaning assigned in Section 12.15(a).

"Participant Register" has the meaning assigned in Section 12.15(b).

"Patents" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"Payment/Advance Form" means a form substantially similar to Exhibit C attached hereto, with appropriate insertions.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) maintained for employees of any Loan Party or any ERISA Affiliate and covered by Title IV of ERISA.

"Perfection Certificate" means the Perfection Certificate prepared by Borrower and approved by Lender, dated as of the date hereof and updated from time to time as required or permitted by the terms of this Agreement.

"Periodic Payments" means all installments or similar recurring payments that Borrower may now or hereafter become obligated to pay to Agent pursuant to the terms and provisions of any instrument, or agreement now or hereafter in existence between Borrower and Lenders.

"Permitted Acquisition" means any acquisition that meets the following requirements:

(a) both immediately before and immediately after the consummation of such Acquisition, no Event of Default shall have occurred and be continuing or result therefrom;

(b) the Acquisition shall be with respect to an operating company or division or line of business that engages in, and that substantially all of the sales and operating profits generated by such company or division or line of business are in, a line of business substantially similar, reasonably related, or ancillary to the principal business in which the Loan Parties are engaged;

(c) the board of directors (or other comparable governing body) of the Person to be acquired or owning such assets or equity securities (and, if required, the holders of any equity securities in such Person) shall have duly approved such Acquisition, and neither such Person nor any equity holder in such Person shall have announced that it will oppose such acquisition nor shall there have been commenced any action which alleges that such Acquisition will violate applicable law;

(d) Agent shall have received written notice not less than ten (10) Business Days' prior to the closing of the proposed Acquisition and such information with respect thereto as Agent may reasonably request, including (i) the proposed date and amount of the Acquisition, (ii) a list and description of the assets or equity securities to be acquired and (iii) the total purchase price for the assets or equity securities to be purchased (and the terms of payment of such purchase price); and Agent shall receive promptly, and in event within twenty (20) Business Days after the closing of such Acquisition, a Perfection Certificate with respect to any new Loan Party;

(e) the total upfront cash consideration for all such Acquisitions shall not exceed $5,000,000 in any fiscal year;

(f) the target shall have a positive EBITDA, calculated in accordance with GAAP immediately prior to such Acquisition;

(g) no Default or Event of Default shall have occurred or will occur after giving pro forma effect to such Acquisition; and

(h) any assets acquired in any such Acquisition shall constitute Collateral (except to the extent assets are expressly excluded from Collateral as provided in Exhibit B hereto), free and clear of Liens other than Permitted Liens and Agent shall have received a first-priority security interest in all such acquired Collateral (subject to Permitted Liens), subject to documentation satisfactory to Agent and Permitted Liens; and any Person that is a domestic entity acquired in any such Acquisition (and any Subsidiaries of such Person) shall become a Loan Party and a direct or indirect Subsidiary of Parent. " Permitted Discretion" means a determination made in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

"Permitted Indebtedness" means:

(a) Indebtedness of the Loan Parties in favor of Lenders arising under this Agreement or any other Loan Document;

(b) Hedging Obligations of the Loan Parties in favor of any Lender or any Affiliate of any Lender;

(c) Indebtedness existing on the Closing Date and disclosed in Section 36 of the Perfection Certificate;

(d) Indebtedness not to exceed $500,000 in the aggregate in any fiscal year of the Loan Parties secured by a Lien described in clause (d) of the defined term "Permitted Liens," provided such Indebtedness does not exceed the lesser of the cost or fair market value of the equipment financed with such Indebtedness;

(e) unsecured Subordinated Debt incurred after the Closing Date in an aggregate principal amount outstanding at any time not to exceed $18,000,000;

(f) Indebtedness to trade creditors incurred in the ordinary course of business;

(g) Indebtedness arising from the endorsement of instruments for deposit or collection in the ordinary course of business;

(h) unsecured Indebtedness arising with respect to customary indemnification obligations in favor of sellers in connection with Permitted Acquisitions;

(i) intercompany Indebtedness constituting Subordinated Debt among or between Loan Parties and other Permitted Investments to the extent constituting Indebtedness;

(j) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business, not to exceed $1,500,000 of premiums in the aggregate outstanding at any time;

(k) Indebtedness incurred in the ordinary course of business in connection with corporate credit cards issued for the benefit of the Loan Parties, not to exceed $250,000 in the aggregate outstanding at any time;

(l) Indebtedness arising from judgments not constituting an Event of Default;

(m) Indebtedness with respect to and resulting from customer deposits and advance payments received by them in the ordinary course of business;

(n) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations, in each case, provided in the ordinary course of business;

(o) unsecured Indebtedness in the form of purchase price adjustments, earn outs, deferred compensation, or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with Permitted Acquisitions;

(p) other Indebtedness in an aggregate principal amount not to exceed $500,000 with respect to Parent and its Subsidiaries outstanding at any time; and

(q) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose more burdensome terms upon the applicable Loan Party.

"Permitted Investment" means:

(a) Investments existing on the Closing Date disclosed in the Perfection Certificate;

(b) Investments made pursuant to Hedging Agreements with any Lender or any Affiliate of any Lender;

(c) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (iii) Lenders' certificates of deposit maturing no more than one year from the date of investment therein, and (iv) Lenders' money market accounts;

(d) Investments consisting of Cash Equivalents;

(e) repurchases of stock from former employees or directors of any Loan Party or any Subsidiary permitted by Section 7.6;

(f) Investments accepted in connection with Permitted Transfers;

(g) Investments (i) of Subsidiaries in or to other Subsidiaries or Borrower and Investments by Borrower in Subsidiaries not to exceed $1,000,000 in the aggregate in any fiscal year (ii) pursuant to customary cost plus, transfer pricing or similar agreements entered into in the ordinary course of business;

(h) Investments made by any Loan Party in another Loan Party;

(i) Investments in joint ventures, corporate collaborations, or strategic alliances and minority equity Investments; provided, that, the aggregate amount of all such Investments shall not exceed $500,000 in any fiscal year;

(j) Investments consisting of Permitted Acquisitions;

(k) to the extent constituting an Investment, guaranties of Permitted Indebtedness;

(l) Investments not to exceed $250,000 in the aggregate in any fiscal year consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of any Loan Party pursuant to employee stock purchase plan agreements approved by the applicable Loan Party's board of directors (or similar governing body);

(m) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of any Loan Party's business;

(n) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (i) shall not apply to Investments of Borrower in any Subsidiary; and

(o) other Investments not to exceed $1,000,000 in the aggregate per year.

"Permitted Liens" means:

(a) statutory Liens of landlords, carriers, warehousemen, processors, mechanics, materialmen or suppliers incurred in the ordinary course of business and securing amounts not yet due or declared to be due by the claimant thereunder or amounts which are being contested in good faith and by appropriate proceedings and for which the Loan Parties have maintained adequate reserves;

(b) Liens or security interests in favor of Agent, for the benefit of Lenders;

(c) zoning restrictions and easements, licenses, covenants and other restrictions affecting the use of real property that do not individually or in the aggregate have a Material Adverse Effect;

(d) Liens in connection with purchase money indebtedness with respect to Equipment and capitalized leases otherwise permitted pursuant to this Agreement, provided, that such Liens attach only to the assets the purchase of which was financed by such purchase money indebtedness or which is the subject of such capitalized leases;

(e) Liens set forth in Section 37 of the Perfection Certificate;

(f) Liens specifically permitted by Agent in writing;

(g) Liens for Taxes, assessments and other government charges or levies (i) not yet due or (ii) which are being contested in good faith and by appropriate proceedings and for which the Loan Parties have maintained adequate reserves;

(h) Liens consisting of deposits or pledges made in the ordinary course of business in connection with workers' compensation, unemployment, social security and similar laws, or to secure the performance of statutory obligations, bids, leases, government contracts, trade contracts, and other similar obligations (exclusive of obligations for the payment of borrowed money);

(i) non-exclusive licenses (with respect to intellectual property and other property), leases and subleases of real property granted to third parties and, in each case, not interfering in any material respect with ordinary conduct of business of the Loan Parties;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(k) Liens of collecting banks under the UCC on items in the course of collection, statutory Liens and rights of set-off of banks;

(l) Liens arising from filing UCC financing statements relating solely to leases not prohibited by this Agreement;

(m) pledges and deposits in the ordinary course of business securing insurance premiums or reimbursement obligations or indemnification obligations under insurance policies or self-insurance arrangements, in each case payable to insurance carriers that provide insurance to the Loan Parties;

(n) Liens on cash and cash equivalents on deposit with Agent and Affiliates of Agent securing obligations owing to such Persons under any treasury, depository, overdraft or other cash management services agreements or arrangements with any Loan Party;

(o) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Loan Party in the ordinary course of business and not prohibited by this Agreement;

(p) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (d) or (e) above; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase;

(q) Liens on insurance proceeds securing the payment of financed insurance premiums to the extent constituting Permitted Indebtedness; and

(r) judgment Liens in respect of judgments that do not constitute an Event of Default.

"Permitted Transfer" means the conveyance, sale, lease, transfer or disposition by any Loan Party of:

(a) Inventory in the ordinary course of business;

(b) non-exclusive licenses and similar arrangements for the use of the property of the Loan Parties in the ordinary course of business;

(c) worn-out or obsolete Equipment;

(d) assets of Borrower or any other Loan Party in connection with a transaction or transactions involving Borrower or any other Loan Party permitted pursuant to Section 7.3;

(e) Transfers consisting of Permitted Liens and Permitted Investments;

(f) the sale or discount without recourse of accounts receivable arising in the ordinary course of business in connection with the collection thereof not to exceed $100,000 in the aggregate per fiscal year; and

(g) other assets of the Loan Parties that do not exceed $100,000 in the aggregate with respect to Parent and its Subsidiaries during any fiscal year.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or foreign or United States government (whether federal, state, county, city, municipal or otherwise), including any instrumentality, division, agency, body or department thereof.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) maintained for employees of any Loan Party or any ERISA Affiliate.

"Register" has the meaning assigned in Section 12.14.

"Regulatory Change" means, with respect to Lender, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Lender, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court, Governmental Authority or monetary authority charged with the interpretation or administration thereof.

"Reportable Event" means a reportable event (as defined in Section 4043 of ERISA), other than an event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Required Lenders" means, unless all of the Lenders and Agent agree otherwise in writing, at any time (x) only one Lender holds the total commitments under this Agreement, such Lender and (y) there is more than one Lender which are not Affiliates, then at least two such Lenders who are not Affiliates who together hold more than fifty percent (50%) of the commitments of all Lenders; provided that, for the purposes of this clause (y), the total commitments of the Lenders held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender; provided, however, if there are fewer than three (3) Lenders, Required Lenders shall mean all Lenders (excluding any Defaulting Lender).

"Reserve" means, as of any date of determination, any amount that Lender, in its Permitted Discretion, may establish from time to time for any purpose, including (a) to reflect events, conditions, contingencies or risks which affect the assets, business or prospects of the Loan Parties, or the Collateral or its value, or the enforceability, perfection or priority of Lender's Lien in the Collateral, (b) to reflect Lender's judgment in its Permitted Discretion that any collateral report or financial information relating to the Loan Parties and furnished to Agent may be incomplete, inaccurate or misleading in any material respect, (c) in respect of any state of facts which does or would with notice or passage of time or both, constitute an Event of Default, (d) to reflect liability, contingent or otherwise, of Agent or any Affiliate of Agent to any third party in connection with any Bank Product or (e) to reflect liabilities of any Loan Party to any third Person.

"Responsible Officer" means each of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Controller of Borrower.

"Restricted Accounts" means Deposit Accounts (a) established and used (and at all times will be used) solely for the purpose of paying current payroll obligations (including payroll, payroll Taxes, withheld income Taxes and other employee wage payments) of Borrower (and which do not (and will not at any time) contain any deposits other than those necessary to fund current payroll, payroll taxes and other employee wage payments), in each case in the ordinary course of business, or (b) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, but solely to the extent that all funds on deposit therein are solely held for the benefit of, and owned by, employees (and will continue to be so held and owned) pursuant to such plan.

"Revolving Advance" or "Revolving Advances" means a cash advance or cash advances under the Revolving Line.

"Revolving Line" means a Credit Extension consisting of Revolving Advances of up to the Maximum Revolving Advances Limit.

"Revolving Maturity Date" means April 17, 2027.

"Sanctions" means any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes, anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) His Majesty's Treasury of the United Kingdom, or (e) any other governmental authority with jurisdiction over Agent or any Loan Party or any of their respective Subsidiaries or Affiliates.

"SEC" means the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"Shares" means (a) 100% of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower in any Subsidiary that is not a "controlled foreign corporation" within the meaning of Section 957(a) of the Code and (b) 65% of the issued and outstanding capital stock, membership units or other securities entitled to vote (within the meaning of Treasury Regulations Section 1.956-2(c)(2)) and 100% of the issued and outstanding capital stock, membership units or other securities not entitled to vote (within the meaning of Treasury Regulations Section 1.956-2(c)(2)) owned or held by Borrower in any Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"Springing DACA Account" has the meaning set forth in Section 4.5.

"Springing DACA Event" means the occurrence and continuance of an Event of Default.

"SOS Reports" means the official reports from the Secretary of State of the Borrower State and from all other applicable federal, state or local government offices identifying all current security interests filed against the Collateral and Liens of record as of the date of such report.

"Subordinated Debt" means any debt incurred by any Loan Party that is subordinated in writing to the debt owing by the Loan Parties to Agent and Lenders on terms reasonably acceptable to Agent and the Required Lenders in their sole discretion.

"Subsidiary" means any corporation, partnership or limited liability company or joint venture in which (i) any general partnership interest or (ii) more than 50% of the stock, limited liability company interest or joint venture of which by the terms thereof ordinary voting power to elect the Board of Directors, managers or trustees of the entity, at the time as of which any determination is being made, is owned by Borrower, either directly or through an Affiliate.

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(i) for any calculation with respect to a Term SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(ii) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

"Term SOFR Loan" means a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to of the definition of "Base Rate".

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register (other than "intent to use" applications until a verified statement of use is filed with respect to such application) and registrations of the same and like protections, and the entire goodwill of the business of the Loan Parties connected with and symbolized by such trademarks.

"UCC" means the Uniform Commercial Code as in effect in the State of California, as amended or supplemented from time to time.

DEBTOR: **ILEARNINGENGINES, INC.**

SECURED PARTY: **EAST WEST BANK, AS AGENT**

EXHIBIT B

COLLATERAL DESCRIPTION ATTACHMENT TO LOAN AND SECURITY AGREEMENT

All personal property of Borrower (herein referred to as "Borrower" or "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), the commercial tort claims set forth in the Perfection Certificate or otherwise identified to Lender, deposit accounts (excluding Restricted Accounts), documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and intellectual property), goods (including fixtures), instruments (including promissory notes), inventory {including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and

(b) any and all cash proceeds and/or noncash proceeds thereof, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment.

Notwithstanding the foregoing, the Collateral does not include (a) assets for which a pledge thereof or a security interest therein is prohibited by applicable law or any agreement permitted hereunder (as long as such agreement is not entered into in contemplation hereof), unless any such prohibition is terminated or rendered unenforceable by the applicable anti-assignment clauses of the UCC, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable requirements of law notwithstanding such prohibition, (b) any property or assets for which a pledge thereof or a security interest therein would (i) require governmental consent, approval, license or authorization, including any governmental licenses or state or local franchises, charters and authorizations or (ii) require other third party consent, approval, license or authorization or create a right of termination in favor of any third party party to such agreement, in each case, to the extent any such pledge or security interest is prohibited or restricted thereby, other than, in each case, to the extent such prohibition or limitation is rendered ineffective under the UCC or other applicable requirements of law notwithstanding such prohibition, (c) Restricted Accounts, (d) any United States "intent-to-use" trademark application prior to the filing and acceptance of a "Statement of Use" or "Amendment to Allege Use" with respect thereto; and (e) more than 65% of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Loan Party in any foreign Subsidiary.

All terms above have the meanings given to them in the UCC, as amended or supplemented from time to time.

EXHIBIT C

PAYMENT/ADVANCE FORM

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

EXHIBIT E

CLOSING CHECKLIST

EXHIBIT F-1

U.S. Tax Compliance Certificate

(For Foreign Lenders That Are Not Partnerships for U.S. Federal Income Tax Purposes)

EXHIBIT F-2

U.S. Tax Compliance Certificate

(For Foreign Participants That Are Not Partnerships for U.S. Federal Income Tax Purposes)

EXHIBIT F-3

U.S. Tax Compliance Certificate

(For Foreign Participants That Are Partnerships for U.S. Federal Income Tax Purposes)

EXHIBIT F-4

U.S. Tax Compliance Certificate

(For Foreign Lenders That Are Partnerships for U.S. Federal Income Tax Purposes)

EXHIBIT G

Business Projections and Budget

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT (INDICATED BY "[***]") BECAUSE ILEARNINGENGINES, INC. HAS DETERMINED SUCH INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, restated, supplemented and otherwise modified from time to time, this "Agreement") is made as of April 17, 2024, by each of the entities set forth on the signature pages hereto (collectively, the "Grantors" and each individually, a "Grantor"), in favor of EAST WEST BANK.

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, including all exhibits and schedules thereto, the "Loan Agreement") among ILEARNINGENGINES HOLDINGS INC., a Delaware corporation ("iLE" and together with any other Person joined thereto as a borrower from time to time after the Closing Date, collectively, the "Borrowers", and each individually, a "Borrower"), and East West Bank, as lender ("Lender"), the Lender agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, pursuant to the Loan Agreement, each Grantor is required to execute and deliver to Lender, for the benefit of the Lender, this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement.

2. GRANT AND REAFFIRMATION OF SECURITY INTEREST. To secure the payment and performance of the Obligations under the Loan Agreement, each Grantor hereby grants to Lender for its benefit, and hereby reaffirms its prior grant pursuant to the Loan Agreement of a continuing security interest in and Lien on all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "IP Collateral"), with power of sale to the extent permitted by law:

(a) all of such Grantor's copyrights and copyright applications (collectively, "Copyrights") and all of the goodwill of the business connected with the use of, and symbolized by, each Copyright, including without limitation those referred to on Schedule 1 hereto;

(b) all of such Grantor's patents and patent applications (collectively, "Patents"), and all of the goodwill of the business connected with the use of, and symbolized by, each Patent, including without limitation those referred to on Schedule 1 hereto;

(c) all of such Grantor's trademarks, trademark applications, service marks, trade names, mask works (collectively, "Trademarks"), and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, including without limitation those referred to on Schedule 1 hereto;

(d) all reissues, continuations or extensions of the foregoing; and

(e) all products and proceeds of the foregoing, including without limitation any claim by such Grantor against third parties for past, present or future infringement or dilution of any Copyright, any Patent, or any Trademark.

3. SECURITY FOR OBLIGATIONS. This Agreement and the security interest created hereby secure the payment and performance of all the Obligations under the Loan Agreement, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by any Grantor to Lender, or any of them pursuant to the Loan Agreement.

4. LOAN AGREEMENT. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Lender, pursuant to the Loan Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the IP Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS. Each Grantor hereby represents and warrants to, and agrees with Lender as follows: (A) Schedule 1 hereto accurately lists all registered IP Collateral as of the date hereof and (B) other than the Liens granted to Lender hereunder, such Grantor has not granted any Liens on any of its IP Collateral to any other Person (other than any Permitted Liens).

6. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new IP Collateral, this Agreement shall automatically apply thereto. Each Grantor shall give prompt notice in writing to Lender with respect to any new IP Collateral material to the Business. Without limiting any Grantor's obligations under this Section 6, each Grantor hereby authorizes Lender unilaterally to modify this Agreement by amending Schedule 1 to include any new IP Collateral of such Grantor identified in such written notice provided by such Grantor. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule 1 shall in any way affect, invalidate or detract from Lender's continuing security interest in all IP Collateral, whether or not listed on Schedule 1.

7. GOVERNING LAW. This Agreement and the transactions contemplated hereby, and all disputes between the parties under or relating to this Agreement or the facts or circumstances leading to its execution, whether in contract, tort or otherwise shall be construed in accordance with and governed by the laws (including statutes of limitation) of the State of California, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

9. CONSTRUCTION. Unless the context of this Agreement clearly requires otherwise, the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference herein to any Person shall be construed to include such Person's successors and assigns.

[Remainder of page intentionally blank]

Each of the parties has signed this Agreement as of the day and year first above written.

GRANTORS:

ILEARNINGENGINES HOLDINGS INC.,
a Delaware corporation

By: Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

IN2VATE, L.L.C.,
an Oklahoma limited liability company

By: Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

SCHEDULE 1

TO

INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. Copyrights and Copyright Applications

[***]

II. Patents and Patent Applications

[***]

III. Trademarks and Trademark Applications

[***]

Exhibit 10.33

GUARANTY AND SURETYSHIP AGREEMENT

April 17, 2024

THIS GUARANTY AND SURETYSHIP AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Guaranty") by and among the entities listed on the signature pages hereto, and each Person who is joined hereto as a guarantor from time to time after the Closing Date (each individually, a "Debtor" and collectively, the "Debtors") and EAST WEST BANK, in its capacity as agent pursuant to the Loan Agreement referred to below (in such capacity, together with its successors and assigns, "Agent")

WHEREAS, ILEARNINGENGINES HOLDINGS, INC. ("iLE" and each Person joined thereto as a borrower from time to time after the Closing Date, collectively, the "Borrowers", and each individually, a "Borrower"), Agent and Lenders have entered into or are about to enter into financing arrangements as more fully set forth in that certain Loan and Security Agreement, dated as of the date hereof, by and among the Borrowers, Guarantors, Lenders and the Agent (as amended from time to time, the "Loan Agreement"). All terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. **Guaranty of Obligations**. Each Guarantor hereby unconditionally guarantees, and becomes surety for, the prompt payment and performance of all loans, advances, debts, liabilities, obligations (including, when due, of the Obligations as defined in the Loan Agreement), covenants and duties owing by the Borrowers to the Agent, Lenders or Secured Parties (including any indemnification obligations payable by any Borrower under the Loan Agreement or the Other Documents (hereinafter referred to collectively as the "Obligations"). If any Borrower defaults under any such Obligations and Agent has demanded payment pursuant to Section 9 of the Loan Agreement, the Guarantors will pay the amount due to the Agent.

2. **Nature of Guaranty; Waivers**. This is a guaranty of payment and not of collection and the Agent shall not be required or obligated, as a condition of the Guarantors' liability, to make any demand upon or to pursue any of its rights against the Borrowers, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations.

This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full (subject to inchoate indemnity obligations for which no claim has been made), and the Loan Agreement has been terminated in accordance with its terms ("Payment in Full"). Until Payment in Full, this Guaranty will remain in full force and effect even if there is no principal balance outstanding under the Obligations at a particular time or from time to time. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Agent of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Agent or any Secured Party to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guaranty thereof. The Guarantors' obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off recoupment, deduction or defense based upon any claim the Guarantors may have (directly or indirectly) against any Borrower, the Agent or any Secured Party, except Payment in Full.

Notice of acceptance of this Guaranty, notice of extensions of credit to the Borrowers from time to time, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Agent's or any Secured Party's failure to comply with the notice requirements under Sections 9-611 and 9-612 of the Uniform Commercial Code as in effect from time to time are hereby waived. Each Guarantor waives all defenses based on suretyship or impairment of collateral.

The Agent at any time and from time to time, without notice to or the consent of the Guarantors, and without impairing or releasing, discharging or modifying the Guarantors' liabilities hereunder, may in accordance with the terms of the Loan Agreement (a) change the manner, place, time or terms of payment or performance of or interest rates on, or other terms relating to, any of the Obligations; (b) renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (c) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any Obligations of the Borrowers in such order, manner and amount as is provided in the Loan Agreement; (d) settle, compromise or deal with any other person, including the Borrowers or the Guarantors, with respect to any Obligations in such manner as the Agent deems appropriate in its sole discretion; or (e) substitute, exchange or release any security or guaranty. Additionally, the Agent at any time and from time to time, without notice to or the consent of the Guarantors, and without impairing or releasing, discharging or modifying the Guarantors' liabilities hereunder, may take such actions and exercise such remedies hereunder as provided herein.

3. **Repayments of Recovery from the Agent**. If any demand is made at any time upon the Agent or any Secured Party for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Agent or any Secured Party repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any reasonable settlement or compromise of any such demand, the Guarantors will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Agent or such Secured Party. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantors in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Agent's and Secured Party's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

4. **Additional Information**. Guarantors will promptly submit to the Agent such information relating to the Guarantors' affairs as required by the Loan Agreement.

5. **Security Interest**. To secure the payment and performance of the Obligations and each Debtor's obligations hereunder, each Debtor grants to Agent, for itself and the ratable benefit of the Lenders, a continuing perfected lien on and security interest in all of such Debtor's right, title and interest in and to the Collateral (as hereinafter described). The Collateral is and consists of all personal property of the Debtors, whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to: (a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), the commercial tort claims set forth in the Perfection Certificate or otherwise identified to Agent, deposit accounts (excluding Restricted Accounts), documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and intellectual property), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of any Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and (b) any and all cash proceeds and/or noncash proceeds thereof, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. Notwithstanding the foregoing, the Collateral does not include (a) assets for which a pledge thereof or a security interest therein is prohibited by applicable law or any agreement permitted hereunder (as long as such agreement is not entered into in contemplation hereof), unless any such prohibition is terminated or rendered unenforceable by the applicable anti-assignment clauses of the UCC, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable requirements of law notwithstanding such prohibition, (b) any property or assets for which a pledge thereof or a security interest therein would (i) require governmental consent, approval, license or authorization, including any governmental licenses or state or local franchises, charters and authorizations or (ii) require other third party consent, approval, license or authorization or create a right of termination in favor of any third party party to such agreement, in each case, to the extent any such pledge or security interest is prohibited or restricted thereby, other than, in each case, to the extent such prohibition or limitation is rendered ineffective under the UCC or other applicable requirements of law notwithstanding such prohibition, (c) Restricted Accounts, (d) any United States "intent-to-use" trademark application prior to the filing and acceptance of a "Statement of Use" or "Amendment to Allege Use" with respect thereto; and (e) more than 65% of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Loan Party in any foreign Subsidiary. Guarantor agrees that Agent shall have the rights and remedies of a secured party under the Uniform Commercial Code of California, as now existing or hereafter amended, with respect to all of the aforesaid property, including, without limitation, thereof, the right to sell or otherwise dispose of any or all of such property and apply the proceeds of such sale to the payment of the Obligations. In addition, at any time upon the occurrence and during the continuance of an Event of Default, Agent may, in its discretion, without notice to Guarantors and regardless of the acceptance of any security or collateral for the payment hereof, appropriate and apply toward the payment of the Obligations (i) any indebtedness due from Agent to any Guarantor, and (ii) any moneys, credits or other property belonging to any Guarantor, at any time held by or coming into the possession of Agent whether for deposit or otherwise.

6. **Enforceability of Obligations**. No modification, limitation or discharge of the Obligations arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantors' liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantors to the same extent and with the same force and effect as if any such proceeding had not been instituted. Each Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of the Borrowers that may result from any such proceeding.

Each Guarantor expressly waives the effect of any statute of limitations or other limitations on any actions under this Guaranty.

7. **Events of Default.** The occurrence of an Event of Default (as defined in the Loan Agreement) shall constitute an "Event of Default" under this Guaranty. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the right to exercise all of the rights and remedies of a secured party under the Uniform Commercial Code, or other applicable law, all of which rights and remedies shall be cumulative, and non-exclusive, to the extent permitted by applicable law, in addition to any other rights and remedies contained in this Agreement and the Other Documents. The cash proceeds realized from the sale of any Collateral shall be applied by Agent to the Obligations in the order set forth in Section 12.12 of the Loan Agreement. The non-cash proceeds will only be applied to the Obligations as they are converted into cash in accordance with the Loan Agreement. If any deficiency shall arise, Debtors shall remain liable to Agent therefor.

8. **Right of Setoff**. In addition to any liens or security interest granted by Guarantors to Agent in Guarantors' property, upon the occurrence of an Event of Default, and during the continuance thereof, the Agent shall have, with respect to the Guarantors' Obligations to the Agent under this Guaranty and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and each Guarantor hereby grants Agent, for the benefit of Secured Parties, a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Agent, for the benefit of Secured Parties, all of such Guarantor's right, title and interest in and to, all of such Guarantor's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Agent or any other direct or indirect subsidiary of Agent, whether held in a general or special accounts or deposit, whether held jointly with another Person, or whether held for safekeeping or otherwise. Upon the occurrence of an Event of Default and during the continuance thereof, every such security interest and right of setoff may be exercised without demand upon or notice to the Guarantors.

9. **Costs**. The Guarantors shall pay on demand all reasonable and documented costs and out-of-pocket expenses incurred by the Agent in protecting or enforcing its rights under the Obligations or this Guaranty, including reasonable and documented attorneys' fees and reasonable costs and documented expenses of litigation. Such costs and expenses, will be included in the Obligations and, at the election of Agent, will bear interest from the date of demand at the Default Rate (as defined in the Loan Agreement), all in accordance with the terms of the Loan Agreement.

10. **Postponement of Subrogation**. Until the Obligations, other than contingent indemnity claims not yet threatened or asserted, are indefeasibly paid in full, expire, are terminated and are not subject to any right of revocation or rescission, the Guarantors postpone and subordinate in favor of the Agent or its designee (and any assignee or potential assignee) any and all rights which the Guarantors may have to (a) assert any claim whatsoever against any Borrower based on subrogation, exoneration, reimbursement, or indemnity or any right of recourse to security for the Obligations with respect to payments made hereunder, and (b) any realization on any property of any Borrower, including participation in any marshaling of any Borrower's assets.

11. **Notices**. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") shall be provided to the other party in accordance with Section 10 of the Loan Agreement. Regardless of the manner in which provided, Notices may be sent to addresses for the Agent and the Guarantors set forth below their respective signatures on the signature pages to this Guaranty or to such other address as either may give to the other for such purpose in accordance with this section.

12. **Preservation of Rights**. No delay or omission on the Agent's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Agent's action or inaction impair any such right or power. The Agent's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Agent may have under other agreements, at law or in equity. The Agent may proceed in any order against the Borrowers, the Guarantors or any other obligor of, or collateral securing, the Obligations.

13. **Illegality**. If any provision contained in this Guaranty should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Guaranty.

14. **Changes in Writing**. No modification, amendment or waiver of, or consent to any departure by any party from any provision of this Guaranty will be effective unless made in a writing signed by the parties to this Agreement, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any party will entitle such party to any other or further notice or demand in the same, similar or other circumstance.

15. **Entire Agreement**. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantors and the Agent with respect to the subject matter hereof; provided, however, that this Guaranty is in addition to, and not in substitution for, any other guarantees from the Guarantors to the Agent, and shall be read together with the Loan Agreement and the Other Documents.

16. **Successors and Assigns**. This Guaranty will be binding upon and inure to the benefit of the Guarantors and the Agent and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Guarantors may not assign this Guaranty in whole or in part without the Agent's prior written consent and the Agent at any time may assign this Guaranty in whole or in part, provided it is assigned together with the Loan Agreement, and in accordance with Section 12.1 of the Loan Agreement.

17. **Interpretation**. In this Guaranty, unless the Agent and the Guarantors otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation". Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose. If this Guaranty is executed by more than one party as Guarantors, the obligations of such persons or entities will be joint and several.

18. **Indemnity**. Each Guarantor agrees to indemnify the Agent, each Secured Party, each legal entity, if any, who controls the Agent or any Secured Party, and each of their respective directors, officers and employees (each, an "Indemnified Party"), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all reasonable expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Guarantors), in connection with or arising out of or relating to the matters referred to in this Guaranty, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by any Guarantor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Guaranty and assignment of any rights hereunder. The Guarantors may participate at its expense in the defense of any such claim.

19. **Governing Law and Jurisdiction**. **THIS GUARANTY SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF CALIFORNIA, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA**. Each Guarantor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the County of Los Angeles, State of California; provided that nothing contained in this Guaranty will prevent the Agent from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantors individually, against any security or against any property of the Guarantors within any other county, state or other foreign or domestic jurisdiction. Each Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Agent and such Guarantor. Each Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty in the aforementioned courts.

20. **Equal Credit Opportunity Act**. If any Guarantor is not an "applicant for credit" under Section 202.2 (e) of the Equal Credit Opportunity Act of 1974 ("ECOA"), such Guarantor acknowledges that (i) this Guaranty has been executed to provide credit support for the Obligations, and (ii) such Guarantor was not required to execute this Guaranty in violation of Section 202.7(d) of the ECOA.

21. **Anti-Terrorism Laws**.

(a) Each Guarantor represents and warrants that (i) no Covered Entity is a Sanctioned Person and (ii) no Covered Entity, either in its own right or through any third party, (A) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (C) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(b) Each Guarantor covenants and agrees that (i) no Covered Entity will become a Sanctioned Person, (ii) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Obligations will not be derived from any unlawful activity, (iv) each Covered Entity shall comply with all Anti-Terrorism Laws and (v) the Guarantors shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event.

22. **WAIVER OF JURY TRIAL**. GUARANTOR IRREVOCABLY WAIVES ANY AND ALL RIGHT GUARANTOR MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. GUARANTOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

Each Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed as of the date first written above, with the intent to be legally bound hereby.

DEBTORS:

ILEARNINGENGINES, INC.,
a Delaware corporation

By: /s/ Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

IN2VATE, L.L.C., an Oklahoma limited liability company

By: /s/ Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

ACKNOWLEDGED AND AGREED:

EAST WEST BANK,
as Agent for Lenders

By: /s/ Jack Grady
Name: Jack Grady
Title: Senior Vice President

Address:

East West Bank
535 Madison Ave., 8th Floor
New York, NY 10022
Attn: Jack Grady

Exhibit 10.34

SUBORDINATION AGREEMENT

April 17, 2024

To: EAST WEST BANK
535 Madison Ave., 8th Fl.
New York, NY 10022
Attn: Jack Grady

In order to induce East West Bank, a California banking corporation ("Senior Lender"), to make and continue to make certain loans and extend credit to iLearningEngines Holdings Inc., a Delaware corporation ("Borrower"), pursuant to that certain Loan and Security Agreement dated as of April 17, 2024, between Borrower and Senior Lender (as the same has been and may hereafter be amended, supplemented or replaced from time to time, the "Loan Agreement"), Experion Technologies, FZ LLC, (the "Subordinated Creditor" or the "undersigned"), party to that certain Master Agreement, dated as of July 1, 2019, between Subordinated Creditor and Borrower (the "Master Agreement"), hereby agrees with Senior Lender as follows:

1. Any capitalized terms not otherwise defined in this Subordination Agreement ("Agreement") shall have the respective meanings ascribed to such terms in the Loan Agreement.

2. The term "Subordinated Debt" means any and all indebtedness, liabilities and obligations of the Borrower to Subordinated Creditor, direct or indirect, joint or several, now existing or hereafter arising, including without limitation, under the Master Agreement and any other agreements, instruments or documents between Subordinated Creditor and Borrower, or by Borrower in favor of Subordinated Creditor relating thereto (collectively, the "Subordinated Debt Documents"). Without limiting the generality of the foregoing, "Subordinated Debt" shall include fees for Experion Services (as defined in the Master Agreement) and payments owning under Section 6 of the Master Agreement. The term "Senior Debt" shall mean any and all indebtedness, liabilities and obligations of the Borrower to Senior Lender, direct or indirect, joint or several, now existing or hereafter arising, including without limitation, any and all Obligations and other indebtedness of Borrower to Senior Lender under the Loan Agreement, including the Loans and all other indebtedness, liabilities and obligations of every kind, nature and description owing by Borrower to Senior Lender, and/or any affiliates including, without limitation, principal, interest, charges, fees and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise. Subordinated Debt and Senior Debt shall both include indebtedness, liabilities and obligations whether arising before, during or after the commencement of any case with respect to Borrower under the United States Bankruptcy Code (the "Bankruptcy Code") or any similar statute (including, without limitation, any interest, fees, costs, expenses and/or indemnification obligations accruing after the commencement of any such proceeding whether or not a claim for such interest, fees, costs, expenses and/or indemnification obligations is allowed or allowable), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended and whether arising directly or howsoever acquired including from any other entity outright, conditionally or as collateral security, by assignment, merger with any other entity, participations or interests of Senior Lender in the obligations of Borrower to others, assumption, operation of law, subrogation or otherwise.

3. The payment of any and all Subordinated Debt is expressly subordinated to the Senior Debt to the extent and in the manner set forth in this Agreement. Until the Senior Debt has been indefeasibly paid in full in cash and all commitments of Senior Lender to make Loans under the Loan Agreement have been terminated, no payment of any kind (by voluntary payment, prepayment, setoff, redemption or otherwise) of any portion of the Subordinated Debt shall be made by Borrower or received or accepted by Subordinated Creditor at any time without Senior Lender's prior written consent which may be withheld in Senior Lender's sole discretion; provided that nothing in this Agreement shall prohibit Subordinated Lender from accruing payments owing on the Subordinated Debt, including without limitation, fees for Experion Services and payments owning under Section 6 of the Master Agreement, that would otherwise be payable but for the terms of this Agreement.

4. Any payments on the Subordinated Debt received by the Subordinated Creditor in contravention of the terms of this Agreement or at any time that the Subordinated Creditor is in violation of its undertakings or obligations under this Agreement shall be held in trust for Senior Lender and the Subordinated Creditor will promptly turn over any such payments to Senior Lender, without further notice or demand, in the form received, to be applied to the Senior Debt as determined by Senior Lender.

5. The undersigned does not now have, the Borrower shall not grant to the undersigned and the undersigned shall not at any time after the date hereof have or take any lien on or security interest in Borrower's assets, now owned or hereafter acquired or created. Notwithstanding the foregoing, if Subordinated Creditor shall accept, take or hold any such non-permitted lien or security interest, the lien or security interest in favor of or held for the benefit of Senior Creditor as security for the Senior Debt has and shall have priority over the non-permitted lien or security interest held by Subordinated Creditor notwithstanding any statement or provisions contained in the Subordinated Debt Documents or otherwise to the contrary and irrespective of the time or order of filing or recording of financing statements, deeds of trust, mortgages, or other notices of security interests, liens or assignments granted pursuant thereto, and irrespective of anything contained in any filing or agreement to which any party hereto or its respective successors and assigns may now or hereafter be a party, and irrespective of the ordinary rules for determining priorities under the Uniform Commercial Code or under any other law governing the relative priorities of secured creditors.

6. Until such time as the Senior Debt has been indefeasibly paid in full in cash and all commitments of the Senior Lender to make Loans under the Loan Agreement have terminated, the Subordinated Creditor shall not commence any lawsuit, action or proceeding of any kind against Borrower to enforce any judgment or other lien against all or any part of the Subordinated Debt except as necessary to avoid the running of the statute of limitations or otherwise protect its rights under the Subordinated Debt.

7. The Subordinated Creditor will not make any assertion, claim or argument in any action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity or effectiveness of the liens and security interests granted to Senior Lender under and in connection with the Loan Agreement and the Loan Documents, instruments and agreements entered into in connection therewith.

8. The Subordinated Creditor will not commence any action or proceeding of any kind against Borrower to recover all or any part of the Subordinated Debt not paid when due and shall not join with any creditor in bringing any proceeding against Borrower under any liquidation, conservatorship, bankruptcy, reorganization, rearrangement, or other insolvency law now or hereafter existing, unless and until the Senior Debt shall be indefeasibly paid in full in cash and all commitments of the Senior Lender to make Loans under the Loan Agreement have terminated.

9. In the event of any insolvency, bankruptcy, receivership, custodianship, liquidation, reorganization, assignment for the benefit of creditors or other proceeding for the relief or liquidation, dissolution or other winding up of Borrower or its properties (including, without limitation, any such proceeding under the Bankruptcy Code), the Subordinated Creditor will at Senior Lender's request file any claims, proofs of claim, or other instruments of similar character necessary to enforce the obligations, if any, of such Borrower in respect of the Subordinated Debt and will hold in trust for Senior Lender and pay over to Senior Lender in the form received, together with any necessary endorsement, to be applied against the Senior Debt as determined by Senior Lender, any and all money, dividends or other assets received in any such proceedings on account of the Subordinated Debt, unless and until the Senior Debt shall be paid in full in cash. Senior Lender, as attorney-in-fact for Subordinated Creditor, may take such action (in Senior Lender's discretion but without any duty or obligation to do so) on behalf of the Subordinated Creditor and the undersigned hereby irrevocably appoints Senior Lender as attorney-in-fact for the Subordinated Creditor, to demand, sue for, collect, and receive any and all such money, dividends or other assets and to file any claim, proof of claim or other instrument of similar character and to take such other proceedings in Senior Lender's name or in the name of the Subordinated Creditor as Senior Lender may deem necessary or advisable for the enforcement of this Agreement and pursuant to this Agreement if Subordinated Creditor has failed to do so after written notice from Senior Lender. The Subordinated Creditor will execute and deliver to Senior Lender such other and further powers of attorney or other instruments as Senior Lender may reasonably request in order to accomplish the foregoing.

10. Senior Lender may at any time and from time to time, without the consent of or notice to the Subordinated Creditor, without incurring responsibility to the Subordinated Creditor and without impairing or releasing any of Senior Lender's rights, or any of the obligations of the Subordinated Creditor hereunder:

(a) Change the amount, manner, place or terms of payment or change or extend the time of payment of or increase, renew or alter the Senior Debt, or any part thereof, waive nonperformance by Borrower of or amend, alter, supplement or replace the Loan Agreement, the notes issued thereunder or agreements related thereto, in any manner or enter into or amend in any manner any other agreement relating to the Senior Debt;

(b) Sell, exchange, release or otherwise enforce Senior Lender's rights against or deal with all or any part of the Collateral or any property at any time pledged or mortgaged by any party to secure or securing the Senior Debt or any part thereof;

(c) Release or compromise claims against Borrower or any other party liable in any manner for the payment or collection of the Senior Debt;

(d) Exercise or refrain from exercising any rights against Borrower or others (including the Subordinated Creditor) or exercise rights against Borrower, its property or any other party at any time and in any order; and

(e) Apply any sums paid by any party to the Senior Debt in any manner or order as determined by Senior Lender.

11. Until the Senior Debt shall be indefeasibly paid in full in cash and all commitments of the Senior Lender to make Loans under the Loan Agreement have terminated, Subordinated Creditor agrees that Subordinated Creditor shall not amend or modify the Subordinated Debt Documents without Senior Lender's prior written consent.

12. The Subordinated Creditor will advise each future holder of all or any part of the Subordinated Debt that the Subordinated Debt is subordinated to the Senior Debt in the manner and to the extent provided herein. The Subordinated Creditor represents that no part of the Subordinated Debt or any instrument evidencing the same has been transferred or assigned and the Subordinated Creditor will not transfer or assign, except to Senior Lender, any part of the Subordinated Debt or any investment evidencing the same while any Senior Debt remains outstanding without Senior Lender's prior written consent. Upon Senior Lender's request, the Subordinated Creditor will, in the case of any Subordinated Debt which is not evidenced by any instrument, cause the same to be evidenced by an appropriate instrument or instruments, and place thereon and on any and all instruments evidencing Subordinated Debt a legend in such form as Senior Lender may determine to the effect that the indebtedness evidenced thereby is subordinated and subject to the prior payment in full of all Senior Debt pursuant to this Agreement.

13. Notwithstanding anything to the contrary in any of the Subordinated Debt Documents, until the Senior Debt shall be indefeasibly paid in full in cash and all commitments of the Senior Lender to make Loans under the Loan Agreement have terminated, Subordinated Creditor agrees that:

(a) It shall not invoice and/or collect fees from Borrower's customers (i.e., accounts receivable processing) on behalf of Borrower as part of the Experion Services;

(b) It shall cause any and all collections received from Borrower's customers ("Collections") to be deposited into the Borrower bank account set forth on invoices sent to such customers, pursuant to the wire instructions set forth in invoices, or such other bank account as may be hereafter designated by Borrower in writing, and

(c) It shall not offset any Subordinated Debt against any amounts owing by Subordinated Creditor to Borrower.

14. If the Subordinated Creditor violates any of the terms of this Agreement, in addition to any remedies at law, in equity or otherwise, Senior Lender may restrain such violation in any court of law or equity and may interpose this Agreement as a defense in any action by the Subordinated Creditor.

15. This Agreement is solely for the benefit of Senior Lender and Subordinated Creditor, and neither Borrower, any debtor in possession, bankruptcy trustee nor any other person or entities are intended to be third party beneficiaries hereunder or to have any right, benefit, priority or interest under, or because of the existence of, or to have any right to enforce, this Agreement.

16. This Agreement contains the entire agreement between the parties regarding the subject matter hereof and may be amended, supplemented or modified only by written instrument executed by Senior Lender and the Subordinated Creditor.

17. Each party hereto represents and warrants that it has the power, capacity and authority to enter into this Agreement and that neither the execution or delivery of this Agreement nor fulfillment of nor compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions, or provisions of or constitute a default under any agreement or instrument to which such undersigned or any of its assets is now subject.

18. This Agreement may be assigned by Senior Lender in connection with any assignment or transfer of any portion of the Senior Debt.

19. This Agreement shall be binding upon the Subordinated Creditor and Senior Lender, their respective successors and assigns.

20. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall be effective, during and after the commencement of any Insolvency Proceeding.

21. THIS SUBORDINATION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. FURTHER, THE LAW OF THE STATE OF CALIFORNIA SHALL APPLY TO ALL DISPUTES OR CONTROVERSIES ARISING OUT OF OR CONNECTED TO OR WITH THIS SUBORDINATION AGREEMENT.

22. ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS SUBORDINATION AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE STATE AND FEDERAL COURTS LOCATED IN ORANGE COUNTY, CALIFORNIA IN A CITY TO BE DESIGNATED BY LENDER, OR IN THE CITY OF LOS ANGELES, STATE OF CALIFORNIA, AND EACH PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON UPON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. EACH PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS SUBORDINATION AGREEMENT, OR UNDER ANY AMENDMENT, WAIVER, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS SUBORDINATION AGREEMENT, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

23. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or electronic mail at the address designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Subordinated Creditor: Experion Technologies, FZ LLC
Level 14, Boulevard Plaza, Tower One, Emaar Boulevard
Downtown Dubai, Dubai
Attn: G. Santosh Kumar

If to the Senior Creditor: EAST WEST BANK
535 Madison Ave., 8th Fl.
New York, NY 10022
Attn: Jack Grady

24. This Agreement may be executed in one or more counterparts, each one of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same agreement. Signature by facsimile and PDF shall bind the parties hereto.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the undersigned have executed this Subordination Agreement on the date first written above.

EXPERION TECHNOLOGIES, FZ LLC, as Subordinated Creditor

By: /s/ G Santosh Kumar
Name: G Santosh Kumar
Title: CEO

EAST WEST BANK, as Senior Lender

By: /s/ Jack Grady
Name: Jack Grady
Title: Senior Vice President

[Signature page to Subordination Agreement]

BORROWER'S CONSENT

Borrower hereby consents to the foregoing Subordination Agreement (and the terms thereof) and agree to abide thereby and to keep, observe and perform the several matters and things therein intended to be kept, observed and performed by each, and specifically agree not to make any payments contrary to the terms of said Agreement. A breach of any of the terms and conditions of this consent shall constitute an "Event of Default" under the Loan Agreement.

ILEARNINGENGINES HOLDINGS INC., a Delaware corporation

By: /s/ Harish P.K. Chidambaran
Name: Harish P.K. Chidambaran
Title: Chief Executive Officer

[Borrower's Consent to Subordination Agreement]

Exhibit 10.35

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT (INDICATED BY "[***]") BECAUSE ILEARNINGENGINES, INC. HAS DETERMINED SUCH INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

SECOND OMNIBUS AMENDMENT

TO LOAN DOCUMENTS

This Second Omnibus Amendment to Loan Documents (this "**Amendment**") is dated as of March 27, 2024, by and among ILEARNINGENGINES INC., a Delaware corporation ("**Parent**"), IN2VATE, L.L.C., an Oklahoma limited liability company ("**In2vate**"), VENTURE LENDING & LEASING IX, INC., a Maryland corporation ("**Fund 9**"), and WTI FUND X, INC., a Maryland corporation ("**Fund 10**"). Parent and In2vate each are sometimes being referred to herein individually, as a "**Borrower**" and collectively, as "**Borrowers**". Fund 9 and Fund 10 each are sometimes being referred to herein individually, as a "**Lender**" and collectively, as "**Lenders**" and each reference in this Amendment to "Lender" shall mean and refer to each of Fund 9 and Fund 10, singly and independent of one another.

Recitals

A. Borrowers and Fund 9 are parties to that certain Loan and Security Agreement, dated as of December 30, 2020 (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2020 Loan Agreement**"), and that certain Supplement thereto of even date therewith (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2020 Supplement**"), pursuant to which Fund 9 made one or more Loans to Borrowers.

B. Borrowers and Lenders are parties to that certain Loan and Security Agreement, dated as of October 21, 2021 (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2021 Loan Agreement**"), and that certain Supplement thereto of even date therewith (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2021 Supplement**"), pursuant to which each Lender made one or more Loans to Borrowers.

C. Borrowers and Fund 10 are parties to that certain Loan and Security Agreement, dated as of October 31, 2023 (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2023 Loan Agreement**" and sometimes being referred to hereinafter with the 2020 Loan Agreement and the 2021 Loan Agreement, individually, as a "**Loan Agreement**" and collectively, as the "**Loan Agreements**"), and that certain Supplement thereto of even date therewith (as the same has been and may be amended, restated, supplemented or modified from time to time, the "**2023 Supplement**" and sometimes being referred to hereinafter with the 2020 Supplement and the 2021 Supplement, individually, as a "**Supplement**" and collectively, as the "**Supplements**"), pursuant to which Fund 10 made one or more Loans to Borrowers.

D. Borrowers and each Lender desire to modify the provisions of the Loan Agreements and the Supplements to which such Lender is a party on the terms provided for herein.

E. Borrowers have informed Lenders that certain Events of Default have occurred under the Loan Agreements due to Borrowers' failure to establish the Reserve and the Reserve Accounts in accordance with the terms of the Supplements (such Events of Default together with any Defaults or Events of Default that have, prior to the date hereof, arisen out of any breach of any representation or warranty or the failure to give notice with respect to such Events of Default, collectively, the "**Specified Defaults**").

F. Borrowers have requested that the Lenders waive the Specified Defaults, and the Lenders are willing to waive the Specified Defaults on the terms and conditions set forth herein.

G. All capitalized terms used herein and not otherwise defined shall have the same meanings herein as in the Loan Agreements and Supplements, as the context requires.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and among Borrowers and Lenders as follows:

1. Revised Payment Terms.

1.1 Notwithstanding anything to the contrary contained in the Loan Agreements, the Supplements or in any Note made and delivered in connection with Fund 9's outstanding Loans, Borrowers and Fund 9 agree that commencing on April 1, 2024, and continuing on the first day of each consecutive month thereafter, Borrowers shall pay to Fund 9 the monthly installments scheduled and due or to become due under the Notes made and delivered in connection with Fund 9's outstanding Loans according to the payment schedule attached hereto as Exhibit "A" (the "**Fund 9 Payment Schedule**"). Payment of the amounts due under the Notes issued to Fund 9 in accordance with the terms of this Section 1.1 shall be in lieu of the payments scheduled and due or to become due under such Notes, and the payment schedules under such Notes relating to the period from and after April 1, 2024 through maturity are hereby deemed to be replaced with the terms of this Section 1.1 and the Fund 9 Payment Schedule.

1.2 Notwithstanding anything to the contrary contained in the Loan Agreements, the Supplements or in any Note made and delivered in connection with Fund 10's outstanding Loans, Borrowers and Fund 10 agree that commencing on April 1, 2024, and continuing on the first day of each consecutive month thereafter, Borrowers shall pay to Fund 10 the monthly installments scheduled and due or to become due under the Notes made and delivered in connection with Fund 10's outstanding Loans according to the payment schedule attached hereto as Exhibit "B" (the "**Fund 10 Payment Schedule**" and being referred to herein with the Fund 9 Payment Schedule, individually, as a "**Payment Schedule**" and collectively, as the "**Payment Schedules**"). Payment of the amounts due the Notes issued to Fund 10 in accordance with the terms of this Section 1.2 shall be in lieu of the payments scheduled and due or to become due under such Notes, and the payment schedules under such Note relating to the period from and after April 1, 2024 through maturity are hereby deemed to be replaced with the terms of this Section 1.2 and the Fund 10 Payment Schedule.

1.3 No Loan as restructured hereby may be voluntarily prepaid, except as provided in this Section 1.3. Notwithstanding anything to the contrary contained in the Loan Agreements, the Supplements or in any Note made and delivered in connection with any outstanding Loans, each Lender acknowledges and agrees that Borrowers may prepay all, but not less than all, such Lender's Loans in whole, but not in part, at any time by tendering to such Lender a cash payment in respect of such Lender's Loans in an amount determined by such Lender equal to the sum of: (i) the accrued and unpaid interest on such Lender's Loans as of the date of prepayment; (ii) the outstanding principal balances of such Lender's Loans as of the date of prepayment; and (iii) an amount equal to the undiscounted, total amount of all scheduled but unpaid payments of interest that would have accrued and been payable from the date of prepayment through the latest repayment date set forth in such Lender's Payment Schedule had such Lender's Loans remained outstanding and been paid in accordance with the terms of such Lender's Payment Schedule; provided, however, that, at Borrowers' option, in conjunction with a prepayment of the Loans pursuant to this Section 1.3, Borrowers may elect to pay each Lender fifty percent (50%) of the amount referred to in this clause "(iii)" in cash and issue to each Lender (or its designee) a number of shares of the common stock ("**Common Stock**") of New Parent (hereinafter defined) obtained by dividing (A) the product of (x) fifty percent (50%) of the amount referred to in this clause "(iii)" and (y) 2.75, by (B) the VWAP (hereinafter defined) of New Parent's Common Stock over the seven (7) Trading Days (hereinafter defined) immediately preceding the date of issuance. "**New Parent**" means Arrowroot Acquisition Corp., a publicly traded Delaware corporation, which will be renamed iLearningEngines Inc., which is a party to that certain Agreement and Plan of Merger and Reorganization, dated as of April 27, 2023, among New Parent, ARAC Merger Sub, Inc. (**"Merger Sub"**) and Parent pursuant to which Merger Sub will merge with and into Parent, whereupon the separate corporate existence of Merger Sub will cease and Parent, which will be renamed iLearningEngines Holdings, Inc., will be the surviving company and continue in existence as a wholly owned subsidiary of New Parent, on the terms and subject to the conditions set forth therein (such transaction, the "**SPAC Transaction**"). Lenders acknowledge and agree that any shares of New Parent's Common Stock described in this Section 1.3 will be subject to the same transfer restrictions, if any, to which the shares of New Parent's Common Stock issuable upon conversion of the Current Convertible Notes (hereinafter defined) are subject. "**Current Convertible Notes**" means the convertible promissory notes issued pursuant to that certain Convertible Note Purchase Agreement, dated March 21, 2023, by and among the Borrower and the lenders party thereto. "**VWAP**" means, for New Parent's Common Stock for a specified period, the dollar volume-weighted average price for such New Parent's Common Stock on the Principal Market (hereinafter defined), for such period, as reported by Bloomberg through its "AQR" function, subject to appropriate adjustments for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period. "**Trading Day**" means any day on which the Principal Market is open for trading (regular way), including any day on which it is open for trading (regular way) for a period of time less than the customary time. "**Principal Market**" means the principal national securities exchange on which Parent's Common Stock is then listed or traded.

2. Consideration.

2.1 As consideration for Fund 9's agreement to enter this Amendment, Fund 9 has earned and is entitled to receive 609,230 shares of New Parent's Common Stock (the "**Fund 9 Shares**") issuable immediately following the consummation of the SPAC Transaction. Borrowers acknowledge that Fund 9 has assigned its rights to receive the Fund 9 Shares to its parent, Venture Lending & Leasing IX, LLC ("**LLC9**"). In connection therewith, the Fund 9 Shares shall be issued to LLC9. Upon request of Borrowers, Fund 9 shall furnish to Borrowers a copy of the agreement in which Fund 9 assigned to LLC9 Fund 9's right to receive the Fund 9 Shares. Borrowers and Fund 9 acknowledge and agree that if as of April 15, 2024, Borrowers have fully prepaid Fund 9's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 9 Shares shall be reduced to equal the product of (x) ten percent (10%) and (y) the Fund 9 Shares, with such reduction effected by a cancellation of the remaining Fund 9 Shares. Borrowers and Fund 9 further acknowledge and agree that if as of May 1, 2024, Borrowers have fully prepaid Fund 9's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 9 Shares shall be reduced to equal the product of (x) twenty percent (20%) and (y) the Fund 9 Shares, with such reduction effected by a cancellation of the remaining Fund 9 Shares. Borrowers and Fund 9 further acknowledge and agree that if as of July 1, 2024, Borrowers have fully prepaid Fund 9's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 9 Shares shall be reduced to the product of (x) fifty percent (50%) and (y) the Fund 9 Shares, with such reduction effected by a cancellation of the remaining Fund 9 Shares.

2.2 As consideration for Fund 10's agreement to enter this Amendment, Fund 10 has earned and is entitled to receive 410,769 shares of New Parent's Common Stock (the "**Fund 10 Shares**") issuable immediately following the consummation of the SPAC Transaction. Borrowers acknowledge that Fund 10 has assigned its rights to receive the Fund 10 Shares to its parent, WTI Fund X, LLC ("**LLC10**" and together with LLC9, "**LLCs**"). In connection therewith, the Fund 10 Shares shall be issued to LLC10. Upon request of Borrowers, Fund 10 shall furnish to Borrowers a copy of the agreement in which Fund 10 assigned to LLC10 Fund 10's right to receive the Fund 10 Shares. Borrowers and Fund 10 acknowledge and agree that if as April 15, 2024, Borrowers have fully prepaid Fund 10's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 10 Shares shall be reduced to the product of (x) ten percent (10%) and (y) the Fund 10 Shares, with such reduction effected by a cancellation of the remaining Fund 10 Shares. Borrowers and Fund 10 further acknowledge and agree that if as of May 1, 2024, Borrowers have fully prepaid Fund 10's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 10 Shares shall be reduced to the product of (x) twenty percent (20%) and (y) the Fund 10 Shares, with such reduction effected by a cancellation of the remaining Fund 10 Shares. Borrowers and Fund 10 further acknowledge and agree that if as of July 1, 2024, Borrowers have fully prepaid Fund 10's Loans in accordance with the terms of Section 1.3 of this Amendment then the number of Fund 10 Shares shall be reduced to the product of (x) fifty percent (50%) and (y) the Fund 10 Shares, with such reduction effected by a cancellation of the remaining Fund 10 Shares.

3. Additional Agreements and Waiver.

3.1 Notwithstanding anything to the contrary in the 2020 Supplement, the 2021 Supplement and the Warrants Parent issued to LLC9 in connection therewith, Borrowers and Fund 9 acknowledge and agree that each Warrant issued to LLC9, together with the option Parent granted to Fund 9 to exchange each such Warrant for the cash payments described in such Supplements, shall automatically terminate (without any further action by any person) upon Fund 9's receipt of 2,030,767 shares of New Parent's Common Stock (the "**Fund 9 Additional Shares**"). Borrowers acknowledge that Fund 9 has assigned its rights to receive the Fund 9 Additional Shares to LLC9. In connection therewith, the Fund 9 Additional Shares shall be issued to LLC9. Upon request of Borrowers, Fund 9 shall furnish to Borrowers a copy of the agreement in which Fund 9 assigned to LLC9 Fund 9's right to receive the Fund 9 Additional Shares.

3.2 Notwithstanding anything to the contrary in the 2021 Supplement, the 2023 Supplement and the Warrants Parent issued to LLC10 in connection therewith, Borrowers and Fund 10 acknowledge and agree that each Warrant issued to LLC10, together with the option Parent granted to Fund 10 to exchange each such Warrant for the cash payments described in such Supplements, shall terminate upon Fund 10's receipt of 1,369,232 shares of New Parent's Common Stock (the "**Fund 10 Additional Shares**" and collectively with the Fund 9 Shares, the Fund 10 Shares and the Fund 9 Additional Shares, the "**Shares**"). Borrowers acknowledge that Fund 10 has assigned its rights to receive the Fund 10 Additional Shares to LLC10. In connection therewith, the Fund 10 Additional Shares shall be issued to LLC10. Upon request of Borrowers, Fund 10 shall furnish to Borrowers a copy of the agreement in which Fund 10 assigned to LLC10 Fund 10's right to receive the Fund 10 Additional Shares.

3.3 Lenders acknowledge and agree that the Fund 9 Shares, the Fund 9 Additional Shares, the Fund 10 Shares and the Fund 10 Additional Shares will be subject to the same transfer restrictions, if any, to which the shares of New Parent's Common Stock issuable upon conversion of the Current Convertible Notes are subject. For the avoidance of doubt, it is acknowledged that the Fund 9 Shares, the Fund 9 Additional Shares, the Fund 10 Shares and the Fund 10 Additional Shares will be entitled to the benefit of all adjustments in the number of shares of New Parent's capital stock because of any splits, recapitalizations, combinations or other similar transactions affecting New Parent's capital stock that occur after the date of this Amendment.

3.4 Subject to the satisfaction of the conditions set forth in this Amendment, the Lenders hereby agree to waive the Specified Defaults effective on the date each such Specified Default would have occurred but for the effectiveness of this Amendment. Accordingly, after giving effect to this Amendment, no Default or Event of Default shall be deemed to have arisen from any Specified Default at any time prior to the date hereof. The waiver in this Section 3.4 shall be effective only in this specific instance, for the specific purpose set forth herein and solely with respect to the Specified Defaults, and does not allow for any other or further departure from the terms and conditions of the Loan Agreements, the Supplements or any other Loan Document, which terms and conditions shall continue in full force and effect.

4. Effectiveness of Amendment; Continued Effect of Loan Agreements.

4.1 Notwithstanding anything to contrary contained in the Loan Agreements or the definition of "Commitment" in Part 1 of the Supplements, Borrowers agree not to borrow, and agrees that each Lender has no commitment to lend any further or future Loans under the Loan Documents.

4.2 All provisions of the Loan Agreements, the Supplements and the other Loan Documents, except as modified by this Amendment, shall remain in full force and effect.

4.3 In the event of any conflict, inconsistency, or incongruity between any provision of this Amendment and any provision of the Loan Documents, the provisions of this Amendment shall govern and control.

4.4 This Amendment shall be effective when counterparts hereof shall have been duly executed by the respective parties hereto, shall have been delivered to Lenders or their counsel, shall be in full force and effect and shall be in form and substance satisfactory to Lenders.

5. Borrowers' Representations and Warranties. Each Borrower, jointly and severally, represents and warrants to Lenders that: (a) Borrowers have full corporate or company power and authority, as applicable, to execute and deliver this Amendment and to perform the obligations of their part to be performed hereunder and under the Loan Documents as amended hereby; (b) Borrowers have taken all necessary action, corporate, company or otherwise, as applicable, to authorize the execution and delivery of this Amendment; (c) no consent, approval or authorization of any person or entity (other than any of the foregoing as has been obtained or will be timely obtained by Borrowers) is or will be required in connection with the execution or delivery by Borrowers of this Amendment or the performance by Borrowers hereof and the Loan Documents as amended hereby; (d) this Amendment and the Loan Documents as amended hereby are, or upon delivery thereof to Lenders will be, the legal, valid and binding obligations of Borrowers, enforceable against Borrowers in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; and (e) as of the date hereof, (i) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing, (ii) the representations and warranties of Borrowers contained in Article 3 of the 2023 Loan Agreement and Part 3 of the 2023 Supplement are true and correct in all material respects, and (iii) none of Borrowers' accounts payable are past due, except to the extent such past due account payable would not reasonably be expected to have a Material Adverse Effect. In furtherance of the foregoing, each Borrower, jointly and severally, represents and warrants to Lenders that Borrowers maintain the following Deposit Accounts and investment accounts:

Institution Name:	[***]
Address:	[***]
ABA No.:	[***]
Contact Name:	[***]
Phone No.:	[***]
E-mail:	[***]
Account Title:	[***]
Account No.:	[***]

Institution Name:	[***]
Address:	[***]
ABA Number:	[***]
Contact Name:	[***]
Phone No.:	[***]
E-mail:	[***]
Account Owner:	[***]
Account No.:	[***]

6. Lenders' and LLCs' Representations and Warranties.

6.1 Investment Purpose. Each of the LLCs is acquiring the Shares for its own account and not with a present view toward the public sale or distribution thereof and has no intention of selling or distributing any of such Shares or any arrangement or understanding with any other Persons regarding the sale or distribution of such Shares except as would not result in a violation of the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (the "**Securities Act**"). Neither of the LLCs will, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Shares except pursuant to and in accordance with the Securities Act.

6.2 Reliance on Exemptions. Each of the LLCs understands that the Shares are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that New Parent is relying upon the truth and accuracy of, and the LLCs' compliance with, the representations, warranties, agreements, acknowledgments and understandings of the LLCs set forth herein in order to determine the availability of such exemptions and the eligibility of the LLCs to acquire the Shares.

6.3 Information. Each of the LLCs has had access to and the opportunity to review the SEC Documents (as defined below). Neither such inquiries nor any other investigation conducted by or on behalf of the LLCs or its representatives or counsel shall modify, amend or affect LLCs' right to rely on the truth, accuracy and completeness of the SEC Documents and the Borrower's representations and warranties contained in this Amendment. For purposes hereof, "**SEC Documents**" means all reports, schedules, forms, statements and other documents required to be filed by Parent with the United States Securities and Exchange Commission (the "**SEC**") since September 1, 2023, pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein).

6.4 Acknowledgement of Risk. Each of the LLCs is able to bear the economic risk of holding the Shares for an indefinite period, and has knowledge and experience in financial and business matters such that it is capable of evaluating the risks of the investment in the Shares.

6.5 Governmental Review. Each of the LLCs understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Shares or an investment therein.

6.6 Transfer or Resale. Each of the LLCs understands that:

(a) the Shares have not been registered under the Securities Act or any applicable state securities laws and, consequently, the LLCs may have to bear the risk of owning the Shares until such time as the registration statement covering such shares is declared effective because the Shares may not be transferred unless (i) the LLCs has delivered to the New Parent an opinion of counsel (in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the Shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; or (ii) the Shares are sold or transferred pursuant to Rule 144 promulgated under the Securities Act, or any successor rule ("**Rule 144**"); and

(b) any sale of the Shares made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and, if Rule 144 is not applicable, any resale of the Shares under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder.

6.7 Legends.

(c) Each of the LLCs understands the certificates representing the Shares will bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Shares):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS WHICH, IN THE OPINION OF COUNSEL, IS AVAILABLE.

(d) Each of the LLCs may request that the New Parent remove, and the New Parent agrees to authorize the removal of any legend from the Shares (i) in connection with any sale of the Shares pursuant to registration statement filed with the SEC, once such registration statement has become effective, (ii) in connection with any sale of the Shares pursuant to Rule 144, or (iii) if such Shares are eligible for sale under Rule 144 following the expiration of the one-year holding requirement under subparagraphs (b)(1)(i) and (d) thereof.

6.8 Authorization; Enforcement. Each of the Lenders and LLCs has the requisite power and authority to enter into this Amendment and to consummate the transactions contemplated hereby. Each of the Lenders and LLCs has taken all necessary action to authorize the execution, delivery and performance of this Amendment. Upon the execution and delivery of this Amendment, this Amendment shall constitute a valid and binding obligation of the Lenders and LLCs enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity and except as rights to indemnity and contribution may be limited by state or federal securities laws or public policy underlying such laws.

6.9 Residency. Each of the LLCs is a resident of the jurisdiction set forth immediately below each such LLC's name on the signature pages hereto.

6.10 Placement Agents. None of the Lenders or LLCs has taken no action that would give rise to any claim by any person for brokerage commissions, placement agent's fees or similar payments relating to this Amendment or the transactions contemplated hereby.

7. Miscellaneous.

7.1 The terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties.

7.2 This Amendment shall be governed by the laws of the State of California, excluding those laws that direct the application of the laws of another jurisdiction.

7.3 Any term of this Amendment may be amended and the observance of any term of this Amendment may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Borrowers and Lenders.

7.4 Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be valid, legal, and enforceable under all applicable laws and regulations. If, however, any provision of this Amendment shall be invalid, illegal, or unenforceable under any such law or regulation in any jurisdiction, then it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Amendment, or the validity, legality, or enforceability of such provision in any other jurisdiction.

7.5 This Amendment and the Loan Documents and the exhibits and schedules hereto and thereto constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof.

7.6 This Amendment and the other Loan Documents described herein may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Amendment and each of the other Loan Documents described herein may be executed by electronic signatures. Borrowers and Lenders expressly agree to conduct the transactions contemplated by this Amendment and the other Loan Documents described herein by electronic means (including, without limitation, with respect to the execution, delivery, storage and transfer of this Amendment and each of the other Loan Documents described herein by electronic means and to the enforceability of electronic Loan Documents).

7.7 Each party to this Amendment shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto may reasonably request to carry out the intent and accomplish the purposes of t this Amendment and the consummation of the transactions contemplated hereby. Each Borrower hereby confirms and ratifies each Lender's Liens in and to all Collateral, and agrees that such Liens shall secure all of the Obligations of Borrowers under this Amendment, the applicable Loan Agreement (as amended hereby) and the other Loan Documents.

7.8 On the date first written above (or at any time thereafter as may be determined by Lenders in their sole discretion), Borrowers shall make a payment to Lenders in an aggregate amount equal to $15,000 (the **"Legal Reimbursement Fee"**), which payment shall be deemed to fully reimburse Lenders pursuant to Section 9.8(b) of the Loan Agreements to which such Lender is a party for Lenders' reasonable attorneys' fees, costs and expenses incurred in connection with the preparation and negotiation of this Amendment and all of the other agreements, certificates, instruments and documents which are executed in connection herewith and the transactions contemplated hereby. Borrowers and Lenders acknowledge and agree that the Legal Reimbursement Fee will be debited from Borrowers' Primary Operating Account through an ACH transfer. Notwithstanding the foregoing, if the Legal Reimbursement Fee is not paid to Lenders in accordance with the terms of the first sentence of this Section 7.8 then Lenders shall have the right to debit the Legal Reimbursement Fee at any time after the date first written above from the Primary Operating Account through an ACH transfer.

Remainder of this page intentionally left blank; signature page follows

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

BORROWERS:

ILEARNINGENGINES INC.

By: /s/ P.K. Chidambaran
Name: P.K. Chidambaran
Title: Chief Executive Officer

IN2VATE, L.L.C.

By: /s/ P.K. Chidambaran
Name: P.K. Chidambaran
Title: Chief Executive Officer

LENDERS:

VENTURE LENDING & LEASING IX, INC.

By: /s/ Rodolfo Ruano
Name: Rodolfo Ruano
Title: Vice President

Address: 104 La Mesa Dr., Suite 102
Portola Valley, CA 94028

Email: [***]

WTI FUND X, INC.

By: /s/ Rodolfo Ruano
Name: Rodolfo Ruano
Title: Vice President

Address: 104 La Mesa Dr., Suite 102
Portola Valley, CA 94028

Email: [***]

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

LLCs:

VENTURE LENDING & LEASING IX, LLC

By: Venture Lending & Leasing IX GP, LLC
Its: Managing Member

By: Westech Investment Advisors LLC
Its: Managing Member

By: /s/ Rodolfo Ruano
Name: Rodolfo Ruano
Title: Vice President

Address: 104 La Mesa Dr., Suite 102
Portola Valley, CA 94028

Email: [***]

WTI FUND X, LLC

By: WTI Fund X GP, LLC
Its: Managing Member

By: Westech Investment Advisors LLC
Its: Managing Member

By: /s/ Rodolfo Ruano
Name: Rodolfo Ruano
Title: Vice President

Address: 104 La Mesa Dr., Suite 102
Portola Valley, CA 94028

Email: [***]

NEW PARENT:

ARROWROOT ACQUISITION CORP.

By: /s/ Matthew Safaii
Name: Matthew Safaii
Title: Chief Executive Officer

EXHIBIT “A”

PAYMENT SCHEDULE FOR FUND 9’S LOANS

EXHIBIT “B”

PAYMENT SCHEDULE FOR FUND 10’S LOANS

Exhibit 10.36

FEE REDUCTION AGREEMENT

March 27, 2024

WHEREAS, pursuant to that certain Underwriting Agreement between Arrowroot Acquisition Corp., a Delaware corporation (together with any Successor (as defined herein), the "***Company***"), and Cantor Fitzgerald & Co., as Representative of the several Underwriters ("***CF&CO***"), dated March 1, 2021 (as it may be amended from time to time, the "***Underwriting Agreement***"), the Company previously agreed to pay to CF&CO an aggregate cash amount of $10,062,500 as "deferred underwriting commissions" (the "***Original Deferred Fee***") upon the consummation of a Business Combination, as contemplated by the final prospectus of the Company, filed with the Securities and Exchange Commission (the "***SEC***") (File No. 333-252997), and dated March 1, 2021. Capitalized terms used herein and not defined shall have their respective meanings ascribed to such terms in the Underwriting Agreement. For the avoidance of doubt, all references to the "Company" herein shall also refer to the publicly traded surviving or successor entity to the Company following the consummation of any Business Combination (the "***Successor***"), and the Company shall cause any Successor to expressly assume all of the Company's obligations to CF&CO under this letter agreement (this "***Agreement***") upon consummation of any Business Combination.

WHEREAS, the Company has entered into that certain Agreement and Plan of Merger and Reorganization (as amended, the "***Business Combination Agreement***") with respect to a Business Combination (the "***Transaction***") with iLearningEngines Inc., a Delaware corporation (including any affiliates thereof, the "***Target***").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and CF&CO hereby agree as follows:

1. Fee Reduction:

   (a) In the event that the Company consummates the Transaction, CF&CO agrees that it will forfeit, effective upon the consummation of the Transaction, $4,062,500 of the aggregate Original Deferred Fee that would otherwise be payable by the Company to CF&CO, pursuant to the Underwriting Agreement, resulting in a remainder of $6,000,000 (the "***Reduced Deferred Fee***").

   (b) For the avoidance of doubt, (i) such agreement applies only to the consummation of the Transaction and not to any other potential Business Combination that may be contemplated or consummated by the Company, (ii) the Resale Rights Obligations (as defined below) hereunder apply only to the CF&CO Fee Shares (as defined herein) issuable hereunder in satisfaction of the Reduced Deferred Fee for so long as CF&CO (or any of its affiliates) owns or may be deemed the beneficial owners of such CF&CO Fee Shares, and (iii) the parties hereto acknowledge and agree that the delivery hereunder of the Reduced Deferred Fee through the issuance of the CF&CO Fee Shares (in accordance with Section 3) and the satisfaction in full of the Resale Rights Obligations (in accordance with Section 4) or, alternatively, the payment of the Default Payment (in accordance with Section 5), together with the other mutual agreements, terms, covenants and obligations hereunder, in each case, shall represent, and are intended to be treated as, having satisfied the Company's obligations under the Underwriting Agreement with regard to the Original Deferred Fee , such that, following execution hereof and the issuance transfer and delivery of the CF&CO Fee Shares issuable hereunder in accordance with terms of this Agreement (including, for the avoidance of doubt, the fulfillment in full of the Resale Rights Obligations or, alternatively, payment of the Default Payment in accordance with Section 5), CF&CO shall not have any continuing rights or remedies pursuant to the Underwriting Agreement, except to the sole extent expressly set forth therein or otherwise agreed herein, subject, in all events, to the modifications and terms represented hereby.

2. Payment: The Reduced Deferred Fee shall be payable by the Company to CF&CO in the form of a certain number (as determined below) of shares (the "***CF&CO Fee Shares***") of the publicly traded common equity securities of the resulting public entity following the Transaction (the "***New Common Stock***").

3. Issuance of CF&CO Fee Shares: The Company hereby agrees that, upon or immediately prior to the initial filing of the Resale Registration Statement (as defined below), the Company (or any Successor) shall issue, transfer and deliver, or cause to be issued, transferred and delivered, the CF&CO Fee Shares to CF&CO payable hereunder in satisfaction of the Reduced Deferred Fee, in book-entry form, by irrevocable instruction from the Company (or its Successor) to its duly appointed transfer agent for the shares of New Common Stock (the "***Transfer Agent***").

   The number of CF&CO Fee Shares to be so issued, transferred and delivered to CF&CO in satisfaction of the Reduced Deferred Fee shall be equal to the greater of (a) the dollar amount of the Reduced Deferred Fee divided by $10.00 and (b) the quotient obtained by dividing (x) the dollar amount of the Reduced Deferred Fee by (y) the VWAP (as defined herein) of the New Common Stock over the seven (7) Trading Days immediately preceding the date of the initial filing of the Resale Registration Statement.

   Any CF&CO Fee Shares so issued, transferred and delivered to CF&CO in satisfaction of the Reduced Deferred Fee shall be validly issued, fully paid and non-assessable and free and clear of all liens, encumbrances and other restrictions on the pledge, sale or other transfer of such shares of New Common Stock (including any restrictions that may arise due to contractual "lock-ups." but excluding any restrictions that may arise due to applicable U.S. federal or state securities laws) (collectively, "***Restrictions***").

4. Resale &Stockholder Rights: The Company further hereby agrees that all CF&CO Fee Shares shall be issued, transferred and delivered to CF&CO with (x) "registration rights," enabling CF&CO to promptly resell, freely trade and otherwise dispose of its CF&CO Fee Shares (as further described below) and (y) "pre-emptive," "anti-dilution," "tag," and "drag" stockholder rights, in each case, substantially consistent with those registration and stockholder rights received by any investor in any "public investment in private equity" (or "***PIPE***") that closes substantially concurrently with the Transaction (or if no PIPE closes in connection therewith, then substantially consistent with those provided to the Sponsor with respect to any of the equity securities it holds in the Company), if any (collectively, the "***Stockholder Rights***"). For the avoidance of doubt, the definition of PIPE shall not include the Company Convertible Notes, and Stockholder Rights shall not include the conversion rights of the Company Convertible Notes.

Pursuant to the "registration rights" described above, the Company hereby agrees that it (or any Successor) shall:

(a) Prepare and, as soon as practicable, but in no event later than sixty (60) days following the consummation of the Transaction (the "***Closing***"), file with the SEC a re-sale registration statement on Form S-1 (or any successor form) to register the re-sale of all of the CF&CO Fee Shares (the "***Resale Registration Statement***");

(b) Use its commercially reasonable efforts to cause the Resale Registration Statement to be declared effective by the SEC by (i) the 90th calendar day after the date of the initial filing thereof, if the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Resale Registration Statement will not be reviewed by the SEC, (ii) by the 120th calendar day after the date of the initial filing thereof, if such Resale Registration Statement is subject to review by the SEC, or (iii) in any event, no later than the 180th calendar day after the Closing;

(c) Use commercially reasonable efforts to maintain (i) the effectiveness of the Resale Registration Statement and (ii) the New Common Stock's authorization for quotation or listing on Nasdaq Stock Market (or any other "national securities exchange" registered with the SEC under Section 6 of the Exchange Act), in each case, until the earlier of (i) the date upon which all CF&CO Fee Shares have been sold, disposed or otherwise transferred by CF&CO or are otherwise no longer outstanding and (ii) the two (2) year anniversary of the date of the effectiveness of the Resale Registration Statement;

(d) If following the effective date of the Resale Registration Statement, the Resale Registration Statement ceases to become effective or available and any CF&CO Fee Shares remain outstanding, (i) 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 (ii) otherwise meet the public reporting requirements so that, from and after the twelve (12) month anniversary of the Closing until the earlier of the two (2) year anniversary of the effectiveness of the Resale Registration Statement and the date on which none of the CF&CO Fee Shares are held by CF&CO (and/or its affiliates), CF&CO (and/or its affiliates) will be entitled to re-sell, freely trade or otherwise dispose of all of the CF&CO Fee Shares issuable hereunder without restriction or limitation pursuant to Rule 144 under the Act; and

(e) Following either (i) the effectiveness of the Resale Registration Statement, and/or (ii) the one year anniversary of the Closing (if relying on Rule 144 under Act), in each case (as applicable), upon CF&CO's request and provided that CF&CO provides any reasonable requested representation letters, (x) instruct and cause its legal counsel to promptly provide the necessary "blanket" legal opinion(s) to the Transfer Agent so that such Transfer Agent may remove any "restrictive legends" from the CF&CO Fee Shares, (y) take all actions reasonably necessary to cause the Transfer Agent to remove any such "restrictive legends" from the CF&CO Fee Shares, and (z) take any such further action as CF&CO may reasonably request, in each case, to enable CF&CO (and/or its affiliates) to promptly resell, freely trade or otherwise dispose of the CF&CO Fee Shares (such obligations set forth in clauses (a)-(e) above, the "***Resale Rights Obligations***").

Notwithstanding anything to the contrary in this Agreement, the Company shall be entitled to delay or postpone the effectiveness of the Resale Registration Statement, and from time to time to require CF&CO not to sell under the Resale Registration Statement or to suspend the effectiveness thereof, if the negotiation or consummation of a material transaction by the Company or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event the Company's board of directors reasonably believes, upon the advice of legal counsel, would require additional disclosure by the Company in the Resale Registration Statement of material information that the Company has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Resale Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of legal counsel, to cause the Resale Registration Statement to fail to comply with applicable disclosure requirements (each such circumstance, a "***Suspension Event***"); provided, however, that the Company may not delay or suspend the Resale Registration Statement on more than three occasions or for more than sixty (60) consecutive calendar days, or more than one hundred and eighty (180) total calendar days, in each case during any twelve-month period. Upon receipt of any written notice from the Company of the happening of any Suspension Event during the period that the Resale Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, CF&CO agrees that (i) it will immediately discontinue offers and sales of the CF&CO Fee Shares under the Resale Registration Statement (excluding, for the avoidance of doubt, sales conducted pursuant to Rule 144) until CF&CO receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by the Company unless otherwise required by law or subpoena. If so directed by the Company, CF&CO will destroy, all copies of the prospectus covering the CF&CO Fee Shares in CF&CO's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the CF&CO Fee Shares shall not apply (i) to the extent CF&CO is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

5. Company Default. Without limiting any rights or remedies available to CF&CO hereunder, in the event that the Company (or its Successor) is unable to, or otherwise does not, (a) issue, transfer and deliver, or cause to be issued, transferred and delivered, the full amount of the CF&CO Fee Shares in satisfaction of the Reduced Deferred Fee to CF&CO, free and clear of all Restrictions, immediately prior to the initial filing of the Resale Registration Statement, (b) subject to the occurrence of any Suspension Event described in Section 4 above, (i) cause the Resale Registration Statement to be declared effective by the SEC in accordance with Section 4(b), or (ii) otherwise comply in all respects with the Resale Rights Obligations, subject to the occurrence of any Suspension Event, such that CF&CO (and/or its affiliates) are unable to promptly resell, freely trade or otherwise dispose of the CF&CO Fee Shares within six (6) months of the Closing, then, in each of the foregoing cases of Sections 5(a) and (b) (each a "***Default Event***"), at the sole election of CF&CO made by written notice provided to the Company, the Company (or its Successor) shall promptly (but in any event within ten (10) Business Days) after receipt of such notice, pay to CF&CO the entire amount of the Reduced Deferred Fee, in cash, in an amount equal to $6,000,000, as originally contemplated by the Underwriting Agreement, as reduced hereby (the "***Default Payment***").

6. Other Defined Terms: For purposes of this Agreement:

(a) "***VWAP***" shall mean, for the New Common Stock for a specified period, the dollar volume-weighted average price for the New Common Stock on the Principal Market, for such period, as reported by Bloomberg through its "AQR" function. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

(b) "***Principal Market***" shall mean the principal national securities exchange on which the New Common Stock is then listed or traded.

(c) "***Trading Day***" shall mean any day on which the Principal Market is open for trading (regular way), including any day on which it is open for trading (regular way) for a period of time less than the customary time.

7. No Fees Refundable: For the avoidance of doubt, once paid or issued, no fees payable hereunder, whether in cash or New Common Stock, respectively, will be refundable under any circumstances.

8. No Other Cash Fee Arrangements: The Company represents and warrants to CF&CO that prior to, at or in connection with or subsequent to the Closing (i) no financial advisor, other investment bank or any of their respective subsidiaries or affiliates (collectively, the "***Other Financial Institutions***") or any of their external legal advisors shall receive any cash compensation or other cash payments from the Company (or the Successor) for any fees payable in connection with the Transaction (including any reimbursable expenses or "deferred fees" payable post-Closing, collectively "***Other Fees***"), and (ii) the Company (or the Successor) is not obligated to pay any Other Financial Institutions any Other Fees.

9. Further Assurances: Each of the Company and CF&CO will, upon request of the other, execute such other documents, instruments or agreements as may be reasonable or necessary to effectuate the agreements set forth in this Agreement.

10. Confidentiality: This Agreement (including the terms set forth herein) is confidential, and neither this Agreement (including the terms set forth herein) nor CF&CO's role in the Transaction may be filed publicly or otherwise disclosed by the Company to any other party (except the Target) without CF&CO's prior written consent.

11. Termination: This Agreement will terminate automatically upon the earlier of:

(a) the satisfaction in full of the payment of the Reduced Deferred Fee, including, for the avoidance of doubt, the issuance, transfer and delivery of the CF&CO Fee Shares to CF&CO, free and clear of all Restrictions, including (x) the effectiveness of the Resale Registration Statement related thereto and the continued satisfaction of the Resale Rights Obligations, (y) the removal of all restrictive legends on all CF&CO Fee Shares enabling CF&CO (and/or its affiliates) to promptly resell, freely trade or otherwise dispose of all such CF&CO Fee Shares, and (z) the sale by CF&CO (and/or its affiliates) of all of the CF&CO Fee Shares issuable hereunder, in each case, upon the terms and conditions set forth herein;

(b) the date upon which all CF&CO Fee Shares have been sold, disposed or otherwise transferred by CF&CO (and/or its affiliates) or are otherwise no longer outstanding; and

(c) the termination of the Business Combination Agreement.

In the event of a termination pursuant to sub-section (b) of this paragraph, (x) the Company agrees to provide prompt notice of such decision to terminate the Business Combination Agreement to CF&CO; and (y) the Original Deferred Fee shall become due and payable by the Company to CF&CO, in cash, upon the consummation of a Business Combination, as originally set forth in the Underwriting Agreement.

12. Successor: Prior to the Closing, if the agreements executed by the Company in connection therewith do not directly or indirectly provide for the assumption by the Successor of the Company's obligations under the Underwriting Agreement, as amended by this Agreement, the Company shall cause such Successor to (x) execute and deliver to CF&CO a joinder agreement, in form and substance reasonably satisfactory to CF&CO, pursuant to which it shall join the Underwriting Agreement, as amended by this Agreement, as a signatory and a party and thus be subject to all of the terms and conditions set forth therein and herein that apply to the Company, and (y) comply with the obligations and covenants of the Company set forth therein and herein.

13. Miscellaneous: The terms of this Agreement shall be interpreted, enforced, governed by and construed in a manner consistent with the provisions of the Underwriting Agreement. Without limiting the foregoing, Sections 10.1 (Notices), 10.2 (Headings), 10.3 (Entire Agreement), 10.5 (Binding Effect), 10.6 (Waiver of Immunity), 10.7 (Submission to Jurisdiction), 10.8 (Governing Law), 10.9 (Execution in Counterparts) and 10.10 (Waiver) of the Underwriting Agreement are hereby incorporated by reference into this Agreement. In this Agreement, unless the context otherwise requires, the term "including" (and with correlative meaning "include") shall be deemed in each case to be followed by the words "without limitation." The parties agree that they have jointly participated in the drafting and negotiation of this Agreement, and in the event that any ambiguity or question of intent or interpretation of this Agreement arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. For the avoidance of doubt, in the event that CF&CO institutes legal proceedings to enforce any provisions of this Agreement or the Underwriting Agreement, including the issuance of the CF&CO Fee Shares, enforcement of the Stockholder Rights and Resale Rights Obligations and collection of any Default Payment, and CF&CO is the prevailing party in such proceedings, the Company shall reimburse CF&CO for all reasonable and documented costs and expenses, including reasonable, documented and out-of-pocket attorneys' fees, incurred in connection therewith.

14. Underwriting Agreement. The Underwriting Agreement, as amended by this Agreement (together with the other agreements and documents being delivered pursuant to or in connection with the Underwriting Agreement or this Agreement), constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersede all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. Except as expressly provided in this Agreement, all of the terms and provisions in the Underwriting Agreement are and shall remain in full force and effect, on the terms and subject to the conditions set forth therein. This Agreement does not constitute, directly or by implication, an amendment, modification or waiver of any provision of the Underwriting Agreement, or any other right, remedy, power or privilege of any party to the Underwriting Agreement, except as expressly set forth herein. Any reference to the Underwriting Agreement in the Underwriting Agreement or any other agreement, document, instrument or certificate entered into or issued in connection therewith shall hereinafter mean the Underwriting Agreement, as amended or modified by this Agreement (or as the Underwriting Agreement may be further amended, modified or supplemented after the date hereof in accordance with the terms thereof).

[*Signature Page Follows*]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its duly authorized signatory as of the date first set forth above.

CANTOR FITZGERALD & CO.

By: /s/ Sage Kelly
Name: Sage Kelly
Title: Global Head of Investment Banking

ARROWROOT ACQUISITION CORP.

By: /s/ Matthew Safaii
Name: Matthew Safaii
Title: Chief Executive Officer

Acknowledged and agreed to:

ILEARNINGENGINES INC.

By: /s/ P.K. Chidambaran
Name: P.K. Chidambaran
Title: Chief Executive Officer

[Signature page to Fee Reduction Agreement]

Exhibit 10.37

March 27, 2024

iLearningEngines Inc.
6701 Democracy Blvd.
Suite 300
Bethesda, MD 20817

Attn: Mr. Harish Chidambaran, Chief Executive Officer

CONFIDENTIAL
AMENDMENT NO. 1

Dear Mr. Chidambaran:

Reference is made to the letter agreement (the "Agreement") dated as of June 5, 2020, by and between iLearningEngines Inc., (the "Company") a corporation with principal offices at 6701 Democracy Blvd. Suite 300, Bethesda, MD 20817, and Mizuho Securities USA LLC ("MSUSA" and, together with the Company, the "Parties"), a Delaware limited liability company with principal offices located at 1271 Avenue of the Americas, New York, NY 10020. This Amendment No. 1 (the "Amendment") to the Agreement is being entered into between the Company and MSUSA effective as of March 27, 2024. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, the Company has entered into that certain Agreement and Plan of Merger and Reorganization, by and among Arrowroot Acquisition Corp. ("Arrowroot"), ARAC Merger Sub, Inc., a wholly-owned subsidiary of Arrowroot ("Merger Sub"), and the Company pursuant to which (i) Merger Sub will merge with and into the Company, the separate corporate existence of Merger Sub will cease and the Company will be the surviving corporation and a wholly-owned subsidiary of Arrowroot (the "de-SPAC"), (ii) the Company will change its name to "iLearningEngines Holdings, Inc." and (iii) Arrowroot will change its name to "iLearningEngines, Inc." ("New Parent"); and

WHEREAS, the Company and MSUSA wish to amend the Agreement as set forth herein to address developments to the Transaction;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the Parties contained herein, the Parties agree as follows:

1. Section 4 of the Agreement is hereby replaced in its entirety with the following:

"4. As compensation for MSUSA's services hereunder, the Company shall pay, or cause to be paid to, MSUSA the following fees:

(a) Transaction Fee: A total transaction fee (the "Transaction Fee" equal to $7.5 million. The Transaction Fee shall be payable, at the Company's sole discretion, in cash or in shares of common stock of New Parent (the "Shares").

(b) Any portion of the Transaction Fee that is paid in Shares will be made based upon fair market value of such Shares, which shall be determined in the case of publicly traded securities, on the cumulative volume-weighted average price (i.e. based on all trades during the measurement period and not an average of daily volume-weighted average prices) of such securities during the 15 consecutive trading days ending three trading days prior to the day on which the corresponding issuance of MSUSA's Transaction Fee or any portion thereof is due.

(c) To the extent any portion of the Transaction is paid in Shares, the Company will cause New Parent to pass to MSUSA, good and valid title to the Shares, free and clear of any liens. At the time of issuance, such Shares will be registered on Form S-3 or Form S-1 or any similar long-form registration statement that may be available at such time and listed on the principal national securities exchange on which the New Parent's common stock is then listed or traded. The Company will cause such Shares to be issued free of restrictive legends and such Shares will to not be subject to any contractual restrictions on further sale, assignment, or transfer. The Company will use reasonable best efforts to cause New Parent to register the Shares no later than the one-year anniversary of the consummation of the de-SPAC. The Company will only issue Shares to MSUSA, and will issue such Shares to MSUSA as soon as reasonably practicable, upon receipt by the Company of a written invoice from MSUSA requesting payment of all or a portion of the Transaction Fee; provided, however, such Shares must be registered and are freely tradeable by MSUSA.

(d) If this Agreement expires or is terminated by the Company for any reason other than a material failure of performance by MSUSA and within 24 months after the date of such termination the Company consummates a Transaction or enters into a definitive agreement with respect to a Transaction, the Company shall pay MSUSA the fees listed above less any fees already paid to MSUSA pursuant to this paragraph 4."

2. The Company has, or upon closing of the Transaction, will have the authority to cause any payments not made directly by the Company hereunder to be paid by New Parent.

3. This Amendment is hereby incorporated by reference into and becomes a part of the Agreement.

4. Except as specifically amended hereby, all of the terms and provisions of the Agreement shall continue in full force and effect.

Please confirm your agreement to the foregoing by signing and returning the enclosed copy of this Amendment.

Very truly yours,

MIZUHO SECURITIES USA LLC

By: /s/ Erik Marth
Name: Mr. Erik Marth
Title: Managing Director

Agreed as of the date first written above:

ILEARNINGENGINES INC.

By: /s/ Harish Chidambaran
Name: Mr. Harish Chidambaran
Title: Chief Executive Office

Acknowledged and Agreed:

ARROWROOT ACQUISITION CORP.

By: /s/ Thomas P. Olivier
Name: Thomas P. Olivier
Title: President & CFO

Exhibit 10.38

AMENDMENT TO LETTER AGREEMENT

THIS AMENDMENT TO THE LETTER AGREEMENT (this "Amendment") is entered into as of March 27, 2024, between and among Arrowroot Acquisition Corp. (collectively with its subsidiaries and affiliates, the "Company") and BTIG, LLC ("BTIG"). All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the letter agreement between the Company and BTIG dated July 25, 2023 (the "Agreement") in connection with BTIG acting as the Company's financial advisor in connection with the business combination between the Company and iLearningEngines, Inc. ("Target"), to which the Arrowroot Capital Management, LLC (the "Sponsor"), Thomas Olivier and Matthew Safaii are parties with respect to Section 4(b) and Section 7(c) thereof.

WHEREAS, the Company and BTIG originally entered into the Agreement which outlines the terms and conditions of the engagement of BTIG to act as to act as the Company's financial advisor in connection with a possible transaction between the Company, as purchaser, and Target (the "Transaction"); and

WHEREAS, the parties wish to amend the Agreement to: (i) amend the terms of the Success Fee that is payable to BTIG, and (ii) amend the expense reimbursement terms as further described below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 2(b) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(b) **Success Fee**. If the Company consummates a Transaction, the Company shall pay BTIG, a "*Success Fee*," which shall be due to BTIG upon consummation of the Transaction and payable as set forth below, in the amount equal to three million dollars ($3,000,000). BTIG shall be entitled to receive the Success Fee if the Transaction is consummated during the term of this Agreement or at any time within one (1) year after the expiration or earlier termination of this Agreement, as applicable.

(i) **Payment in Cash**: The Company hereby represents and warrants that the Company shall not pay to Cantor Fitzgerald & Co. (collectively with its subsidiaries and affiliates, "*Cantor*") and/or Mizuho Securities USA LLC (collectively with its subsidiaries and affiliates, "*Mizuho*" and together with Cantor, the "*Other Advisors*") any portion of the fees due to such party (by the Company or the Target, as the case may be) in cash; provided, however, that, notwithstanding the foregoing, the Company may, in its sole discretion, elect to pay up to $1,000,000 of the fees payable to Mizuho in cash during the period of time following the closing of the Transaction and prior to the date that the Resale Registration Statement (as defined below) is declared effective by the U.S. Securities and Exchange Commission (the "*SEC*") (such date, the "*Resale Registration Statement Effective Date*"); provided, further, that if the Company elects, in its sole discretion, to pay fees to Mizuho in cash in the aggregate in excess of $1,000,000 (such excess, the "*Excess Mizuho Payment*") during the period of time following the closing of the Transaction and prior to the Resale Registration Statement Effective Date, then the Company shall pay a portion of the Success Fee to BTIG in cash equal to the product of (i) the Success Fee, and (ii) a ratio, the numerator of which is the Excess Mizuho Payment and the denominator of which is $6,500,000 (the "*BTIG Proportional Cash Payment*").

BTIG acknowledges and agrees that the Company may be required to make cash payments to Other Advisors of the Company (not to exceed $6,000,000 in the aggregate) (together with the Default Payment, the "*Advisor Default Payments*") pursuant to default provisions on no more favorable terms to each such Other Advisor as Section 2(iv) (Company Default) of this Agreement. The Company acknowledges and agrees that the Advisor Default Payments shall be paid by the Company on a pari passu basis.

(ii) **Payment in Shares:** Except as set forth in the last proviso of Section 2(b)(i) above, the Success Fee shall be payable by the Company to BTIG in the form of a certain number (as determined below) of shares (the "*BTIG Fee Shares*") of the publicly traded common equity securities of the resulting public entity following the Transaction (the "*New Common Stock*").

(iii) **Issuance of BTIG Fee Shares:** The Company hereby agrees that, upon or immediately prior to the initial filing of the Resale Registration Statement (the "*Initial Filing Date*"), the Company (or any Successor) shall issue, transfer and deliver, or cause to be issued, transferred and delivered, the BTIG Fee Shares to BTIG payable hereunder in satisfaction of the Success Fee, in book-entry form, by irrevocable instruction from the Company (or its Successor) to its duly appointed transfer agent for the shares of New Common Stock (the "*Transfer Agent*").

The number of BTIG Fee Shares to be so issued, transferred and delivered to BTIG in satisfaction of the Success Fee shall be equal to the greater of (a) the dollar amount of the Success Fee (less any portion of the Success Fee previously paid in cash, if any) divided by $10.00 and (b) the quotient obtained by dividing (x) the dollar amount of the Success Fee (less any portion of the Success Fee previously paid in cash, if any) by (y) the VWAP (as defined herein) of the New Common Stock over the seven (7) Trading Days immediately preceding the Initial Filing Date.

In the event that any BTIG Fee Shares are issued, transferred and delivered to BTIG and, thereafter but prior to the Resale Registration Statement Effective Date, the Company makes a cash payment to Mizuho which, if such payment had been made prior to the issuance, transfer or delivery of such BTIG Fee Shares, would have resulted in a lesser number of such shares being issued, transferred or delivered to BTIG pursuant to the calculation in Section 2(b)(i), (such cash payment, the "*Mizuho Post-Filing Cash Payment*" and such number of shares that would not have been issued, transferred and delivered if the additional cash payment to Mizuho had been made prior to the Initial Filing Date, the "*Excess Shares*"), then BTIG (i) shall not sell any Excess Shares on or after such time that BTIG learns of the Mizuho Post-Filing Cash Payment, (ii) the Company shall make a cash payment to BTIG in respect of the BTIG Proportional Cash Payment with respect to the Mizuho Post-Filing Cash Payment (the "*Subsequent BTIG Cash Payment*") and (iii) in exchange for such Subsequent BTIG Cash Payment, BTIG shall forfeit and transfer to the Company all of the Excess Shares then held by BTIG for no additional consideration, and such Excess Shares shall be removed from the Resale Registration Statement.

Any BTIG Fee Shares so issued, transferred and delivered to BTIG in satisfaction of the Success Fee shall be validly issued, fully paid and non-assessable and free and clear of all liens, encumbrances and other restrictions on the pledge, sale or other transfer of such shares of New Common Stock (including any restrictions that may arise due to contractual "lock-ups" but excluding any restrictions that may arise due to applicable U.S. federal or state securities laws) (collectively, "*Restrictions*").

(iv) **Resale & Stockholder Rights:** The Company further hereby agrees that all BTIG Fee Shares shall be issued, transferred and delivered to BTIG with (x) "registration rights" enabling BTIG to promptly resell, freely trade and otherwise dispose of its BTIG Fee Shares (as further described below) and (y) "pre-emptive," "anti-dilution," "tag," and "drag" stockholder rights, in each case, substantially consistent with those registration and stockholder rights received by any investor in any "public investment in private equity" (or "*PIPE*") that closes substantially concurrently with the Transaction (or if no PIPE closes in connection therewith, then substantially consistent with those provided to the Sponsor with respect to any of the equity securities it holds in the Company), if any (collectively, the "*Stockholder Rights*"). For the avoidance of doubt, the definition of PIPE shall not include the convertible promissory notes issued by Target, and Stockholder Rights shall not include the conversion rights of the such convertible promissory notes.

Pursuant to the "registration rights" described above, the Company hereby agrees that it (or any Successor) shall:

(a) Prepare and, as soon as practicable, but in no event later than sixty (60) days following the consummation of the Transaction (the "*Closing*"), file with the SEC a re-sale registration statement on Form S-1 (or any successor form) to register the re-sale of all of the BTIG Fee Shares (the "*Resale Registration Statement*");

(b) Use its commercially reasonable efforts to cause the Resale Registration Statement to be declared effective by the SEC by (i) the 90th calendar day after the Initial Filing Date if the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Resale Registration Statement will not be reviewed by the SEC, (ii) by the 120th calendar day after the Initial Filing Date, if such Resale Registration Statement is subject to review by the SEC, or (iii) in any event, no later than the 180th calendar day after the Closing;

(c) Use commercially reasonable efforts to maintain (i) the effectiveness of the Resale Registration Statement and (ii) the New Common Stock's authorization for quotation or listing on Nasdaq Stock Market (or any other "national securities exchange" registered with the SEC under Section 6 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*")), in each case, until the earlier of (i) the date upon which all BTIG Fee Shares have been sold, disposed or otherwise transferred by BTIG or are otherwise no longer outstanding and (ii) the two (2) year anniversary of the date of the effectiveness of the Resale Registration Statement;

(d) If following the Resale Registration Statement Effective Date, the Resale Registration Statement ceases to become effective or available and any BTIG Fee Shares remain outstanding, (i) 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 (ii) otherwise meet the public reporting requirements so that, from and after the twelve (12) month anniversary of the Closing until the earlier of the two (2) year anniversary of the Resale Registration Statement Effective Date and the date on which none of the BTIG Fee Shares are held by BTIG (and/or its affiliates), BTIG (and/or its affiliates) will be entitled to re-sell, freely trade or otherwise dispose of all of the BTIG Fee Shares issuable hereunder without restriction or limitation pursuant to Rule 144 under the Act; and

(e) Following either (i) the effectiveness of the Resale Registration Statement, and/or (ii) the one year anniversary of the Closing (if relying on Rule 144 under Securities Act of 1933, as amended (the "*Act*")), in each case (as applicable), upon BTIG's request and provided that BTIG provides any reasonable requested representation letters, (x) instruct and cause its legal counsel to promptly provide the necessary "blanket" legal opinion(s) to the Transfer Agent so that such Transfer Agent may remove any "restrictive legends" from the BTIG Fee Shares, (y) take all actions reasonably necessary to cause the Transfer Agent to remove any such "restrictive legends" from the BTIG Fee Shares, and (z) take any such further action as BTIG may reasonably request, in each case, to enable BTIG (and/or its affiliates) to promptly resell, freely trade or otherwise dispose of the BTIG Fee Shares (such obligations set forth in clauses (a)-(e) above, the "*Resale Rights Obligations*").

Notwithstanding anything to the contrary in this Agreement, the Company shall be entitled to delay or postpone the effectiveness of the Resale Registration Statement, and from time to time to require BTIG not to sell under the Resale Registration Statement or to suspend the effectiveness thereof, if the negotiation or consummation of a material transaction by the Company or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event the Company's board of directors reasonably believes, upon the advice of legal counsel, would require additional disclosure by the Company in the Resale Registration Statement of material information that the Company has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Resale Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of legal counsel, to cause the Resale Registration Statement to fail to comply with applicable disclosure requirements (each such circumstance, a "*Suspension Event*"); provided, however, that the Company may not delay or suspend the Resale Registration Statement on more than three occasions or for more than sixty (60) consecutive calendar days, or more than one hundred eighty (180) total calendar days, in each case during any twelve-month period. Upon receipt of any written notice from the Company of the happening of any Suspension Event during the period that the Resale Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, BTIG agrees that (i) it will immediately discontinue offers and sales of the BTIG Fee Shares under the Resale Registration Statement (excluding, for the avoidance of doubt, sales conducted pursuant to Rule 144) until BTIG receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by the Company unless otherwise required by law or subpoena. If so directed by the Company, BTIG will destroy, all copies of the prospectus covering the BTIG Fee Shares in BTIG's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the BTIG Fee Shares shall not apply (i) to the extent BTIG is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

(v) **Company Default:** Subject to the limitation in the second paragraph of this Section 2(b)(v), without limiting any rights or remedies available to BTIG hereunder, in the event that the Company (or its Successor) is unable to, or otherwise does not, (a) issue, transfer and deliver, or cause to be issued, transferred and delivered, the full amount of the BTIG Fee Shares in satisfaction of the Success Fee, free and clear of all Restrictions, immediately prior to the Initial Filing Date, or (b) subject to the occurrence of any Suspension Event described in Section 2(b)(iv) above, (i) cause the Resale Registration Statement to be declared effective by the SEC in accordance with Section 2(b)(iv)(b), or (ii) otherwise comply in all respects with the Resale Rights Obligations, subject to the occurrence of any Suspension Event, such that BTIG (and/or its affiliates) are unable to promptly resell, freely trade or otherwise dispose of the BTIG Fee Shares within six (6) months of the Closing, then, in each of the foregoing cases of (a) and (b), at the sole election of BTIG made by written notice provided to the Company, the Company (or its Successor) shall promptly (but in any event within ten (10) Business Days) after receipt of such notice, pay to BTIG $3,000,000 (less the sum of any Realized Proceeds (as defined below) or any other portion of the Success Fee previously paid in cash), in cash, in full satisfaction of the Success Fee (such payment, the "*Default Payment*"). As used herein, "*Realized Proceeds*" shall mean the proceeds realized by BTIG pursuant the sale, transfer or disposition of any BTIG Fee Shares.

Notwithstanding the foregoing, BTIG agrees that it shall not exercise its right to require the Company to pay the Default Payment during any period in which:

a. The Principal Market has notified the Company that (x) the Company is not in compliance with the applicable minimum bid price for continued listing of the New Common Stock on such Principal Market; or (y) the New Common Stock is subject to delisting from such Principal Market for continued failure to comply with such minimum bid price requirement, so long as, in each case, the Company has timely filed a Form 8-K with respect any such delisting notice, until such time the Company has regained compliance with such minimum bid price requirement; or

b. The Company has failed to timely file all reports required to be filed by the Company pursuant to Sections 13(a) and 15(d) of the Exchange Act, provided that the Company has timely filed a Form NT 10-Q or Form NT 10-K for any such delinquent Quarterly Report on Form 10-Q or Annual Report on Form 10-K, as applicable, until such time the Company has filed all reports required to be filed by the Company pursuant to Section 13(a) and 15(d) of the Exchange Act.

If BTIG intends to exercise its right to require the Company to pay the Default Payment, then BTIG shall deliver written notice to the Company (including via email) of such intent and such written notice shall include a description of the Default Event, the number of shares that BTIG has previously sold, transferred or otherwise disposed of (if any), and the Realized Proceeds. The Company shall then have thirty (30) days to cure such Default Event, and if cured, no Default Payment shall be due or payable to BTIG in connection with such Default Event.

Upon BTIG's receipt of the Default Payment, BTIG shall, within thirty (30) days of such receipt, forfeit and transfer to the Company all of the BTIG Fee Shares then held by BTIG (less any BTIG Fee Shares that may have already been sold, transferred or otherwise disposed of by BTIG) for no additional consideration (so long as BTIG is able to do so without any restrictions), and BTIG shall not be entitled to any other fees or consideration hereunder.

This Section 2(v) (Company Default) shall terminate in full upon (and no Default Payment shall become due or payable after) the earliest of (i) the payment, in cash, of the Default Payment; and (ii) the sale, transfer or other disposition of all of the BTIG Fee Shares by BTIG.

The Default Payment is subordinated in right to payment to the prior payment in full of any Senior Indebtedness of the Company in existence on the date hereof or hereafter incurred. For purposes hereof, "**Senior Indebtedness**" shall mean all amounts due in connection with (i) indebtedness of the Company to banks or other lending institutions regularly engaged in the business of lending money, and (ii) any indebtedness or any debentures, notes or other evidence of indebtedness issued in exchange for such Senior Indebtedness, or any indebtedness arising from the satisfaction of such Senior Indebtedness by a guarantor. Upon request of the Company, BTIG shall promptly execute and deliver a subordination agreement (in form and substance reasonably satisfactory to BTIG) of the Default Payment with respect to any Senior Indebtedness.

(vi) **Other Defined Terms:** For purposes hereof:

(a) *"Business Day"* means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York are generally are open for use by customers on such day.

(b) *"VWAP"* shall mean, for the New Common Stock for a specified period, the dollar volume-weighted average price for the New Common Stock on the Principal Market, for such period, as reported by Bloomberg through its "AQR" function. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

(c) *"Principal Market"* shall mean the principal national securities exchange on which the New Common Stock is then listed or traded.

(d) "*Successor"* shall mean the publicly traded surviving or successor entity to the Company following the consummation of the Transaction.

(e) *"Trading Day"* shall mean any day on which the Principal Market is open for trading (regular way), including any day on which it is open for trading (regular way) for a period of time less than the customary time.

All fees payable hereunder are non-refundable.

No fee payable to any other person, whether payable by the Company or any other party, in connection with the subject matter of this engagement shall reduce or otherwise affect any fee payable hereunder. For the avoidance of doubt, the Company agrees that any fees paid in accordance with this Agreement relate solely to the scope of work described in this Agreement."

2. Section 3 of the Agreement is hereby deleted in its entirety and replaced with the following:

"3. **Expenses and Payments.** In addition to the fees described above, the Company shall reimburse BTIG, and BTIG shall separately bill the Company, for all reasonable documented out-of-pocket expenses in connection with this engagement (including reasonable fees and disbursements of BTIG's legal counsel, travel expenses, miscellaneous printing, shipping/delivery and other expenses and other third party services) promptly upon request, and, in any case, within 30 days after BTIG submits an invoice in respect thereto, provided, that the aggregate amount of expenses reimbursable by the Company under this Section 3 shall not exceed $400,000 without the express written consent of the Company. All amounts payable under this Agreement shall be promptly paid without setoff and without deduction for any withholding, value-added or other similar taxes, charges, fees or assessments; provided, however, that the fees and expenses of Ellenoff Grossman & Schole LLP ("*EGS*") may be paid by the Company directly to EGS in connection with the consummation of the Transaction and setoff against the expenses reimbursable hereunder. It is anticipated that the Company shall engage, at its sole expense, legal counsel, accountants, and other professionals as reasonably required by the Company in order to conduct the Transaction. For the avoidance of doubt, the Company will not be required to make reimbursement under this Section 3 of an expense to the extent that such expense has been reimbursed by the Company pursuant to that certain letter agreement by and between the Company and BTIG dated as of November 15, 2023 with respect to BTIG's engagement to provide investment banking services to the Company in connection with one or more private placement transactions (the "*Private Placement Engagement Letter*")."

3. Section 8 of the Agreement is hereby amended by adding the following as new Section 8(q):

"(q) Each of the Company and BTIG will, upon request of the other, execute such other documents, instruments or agreements as may be reasonable or necessary to effectuate the agreements set forth in this Agreement. Prior to the Closing, if the agreements executed by the Company in connection therewith do not directly or indirectly provide for the assumption by the Successor of the Company's obligations under this Agreement, the Company shall cause such Successor to (x) execute and deliver to BTIG a joinder agreement, in form and substance reasonably satisfactory to BTIG, pursuant to which it shall join this Agreement, as a signatory and a party and thus be subject to all of the terms and conditions set forth herein that apply to the Company, and (y) comply with the obligations and covenants of the Company set forth herein."

4. For the avoidance of doubt, nothing in this Amendment shall amend the terms of the Private Placement Engagement Letter, which remains in full force and effect in accordance with its terms. BTIG acknowledges and agrees that no fees are owed or payable to BTIG pursuant to the Private Placement Engagement Letter in connection with the Transaction. Any such fees would become payable to BTIG as provided in the Private Placement Engagement Letter (i.e., upon consummation of a "Transaction" as that term is defined in the Private Placement Engagement Letter). Further, the Company and BTIG agree that any expenses incurred by BTIG pursuant to the Private Placement Engagement Letter that are reimbursable to BTIG by the Company in accordance with the Private Placement Engagement Letter shall be reimbursable to BTIG pursuant to Section 3 of the Agreement, as amended by this Amendment.

5. Except as expressly set forth in this Amendment, all other provisions of the Agreement shall continue in full force and effect. This Amendment shall be governed by and construed in accordance with the internal laws of the State of California, without reference to principles of conflicts of law.

6. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall constitute an original, while all such counterparts shall together constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment has been executed on behalf of the parties hereto as of the day and year first above written.

Accepted and agreed to as of the date first written above.

BTIG, LLC

By: /s/ Ed Kovary
Name: Ed Kovary
Title: Managing Director, Head of SPAC Capital Markets

Arrowroot Acquisition Corp.

By: /s/ Matthew Safaii
Name: Matthew Safaii
Title: Partner

Exhibit 16.1

April 22, 2024

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read iLearningEngines, Inc. (formerly known as Arrowroot Acquisition Corp.) statements included under Item 4.01 of its Form 8-K dated April 22, 2024. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on April 16, 2024. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York

Exhibit 21.1

List of Subsidiaries

Legal Name	Jurisdiction of Incorporation
iLearningEngines Holdings, Inc.	Delaware
in2vate, LLC	Oklahoma
ILE ILEARNINGENGINES INDIA PRIVATE LIMITED	India
iLearningEngines FZ-LLC	Dubai Free Zone, United Arab Emirates
iLearningEngines Pty Ltd	Australia

Exhibit 99.1

iLearningEngines, Inc. Becomes Publicly Traded Company After Completing Business Combination With Arrowroot Acquisition Corp., Will Commence Trading on Nasdaq Under Ticker Symbol "AILE"

BETHESDA, MD and Marina Del Rey, CA April 16, 2024– iLearningEngines, Inc. ("iLearningEngines", "iLE", or "the Company"), a leader in AI-powered learning automation and information intelligence for corporate and educational use, is pleased to announce the completion of its business combination with Arrowroot Acquisition Corp. (formerly NASDAQ: ARRW, ARRWU, ARRWW) ("Arrowroot"). The combined company's common stock and warrants are expected to commence trading on the Nasdaq Capital Market under the ticker symbol "AILE" and "AILEW", respectively, on April 17, 2024.

iLearningEngines is an out-of-the-box AI platform that empowers its enterprise and education customers to "productize" their institutional knowledge, improve efficiency, and drive better, mission-critical, business outcomes. The Company operates at the intersection of three large and growing markets: global artificial intelligence, global e-learning and hyperautomation. According to Gartner, the AI software market opportunity is expected to grow at 24.5% CAGR, reaching nearly $135 billion by 2025; global e-Learning market is expected to reach $250 billion in the same timeframe. The hyperautomation market is expected to grow at an 11.9% CAGR to more than $1 trillion by 2026[1]. iLearningEngines' solutions are deployed within more than a dozen industry verticals across approximately 1,000 enterprise end customers and four million licensed users, and the Company sees significant expansion opportunities within both new and existing verticals and customers.

iLearningEngines' differentiation with customers is rooted in its proprietary AI technology and specialized data sets. First, the Company builds a secure Knowledge Cloud - an enterprise "brain" made up of specialized datasets - within a customers' data environment. Then, iLE employs its no code AI canvas, enabling rapid integration without custom programming. This enables iLE's cognitive AI engine to generate insights, events, and recommendations across many use cases. Employees use these valuable insights to close knowledge gaps, automate workflows, and improve business outcomes. The Company grew revenue 35% year-over-year through the first nine months of 2023, and intends to disclose fourth quarter and full year 2023 financial results within the next week.

"Going public is an important milestone along our business's growth trajectory," said iLearningEngines CEO Harish Chidambaran. "We are pleased to add Arrowroot's former President and CFO Thomas Olivier to our Board of Directors and look forward to continuing to leverage Arrowroot Capital's enterprise software expertise as we execute our long-term growth strategy."

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1 Sources: Gartner Forecast Analysis: Artificial Intelligence Software, Worldwide (October 20, 2021); Technavio – Global e-Learning Market 2022-2026; Gartner Forecast Analysis: Hyperautomation via Process-Agnostic Software Worldwide (January 22, 2023)

“We are thrilled to be iLearningEngines’ long-term partner,” said former Arrowroot Acquisition Corp.’s CEO Matt Safaii. “iLearningEngines is a unique business and attractive asset: a pure-play AI software company at scale with strong revenue growth and emerging profitability. Of the more than 2,300 publicly traded software companies globally in 2023, only 17 could boast more than $400 million of annual revenue and a greater than 30% revenue growth rate in 2023.[2] iLearningEngines is now in that exclusive group.”

Advisors

Cooley LLP is serving as legal counsel to iLearningEngines and Goodwin Procter LLP is serving as legal counsel to Arrowroot Acquisition Corp. Mizuho and its affiliate Greenhill & Co. served as exclusive financial advisor to iLearningEngines and BTIG, LLC, Benchmark Company and Northland Capital served as financial advisors to Arrowroot Acquisition Corp.

About iLearningEngines

iLearningEngines is a leading cloud-based, AI driven mission critical training platform for enterprises. iLearningEngines has consistently ranked as one of the fastest growing companies in North America on the Deloitte Technology Fast 500. iLearningEngines’ AI and Learning Automation platform is used by enterprises to productize their enterprise knowledge for consumption throughout the enterprise. The intense demand for scalable outcome-based training has led to deployments in some of the most regulated and detail-oriented vertical markets, including Healthcare, Education, Insurance, Retail, Oil & Gas / Energy, Manufacturing and Government. iLearningEngines was founded by Harish Chidambaran in 2010, with headquarters in Bethesda, MD and offices in Dubai, UAE, and Trivandrum, Pune and Kochi, India.

About Arrowroot Acquisition Corp.

Arrowroot Acquisition Corp. was a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. The company was sponsored by Arrowroot Capital Management, a leading investor in enterprise software. Arrowroot Acquisition Corp. was headquartered in Marina Del Rey, CA.

2 S&P Capital IQ as of April 3, 2024. Based on the latest twelve-month (LTM) metrics

Forward-Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995 with respect to the Business Combination. Forward looking statements generally are accompanied by words such as "believe," "may," "will, "estimate," "continue," "anticipate," "intend", "expect", "should", "would", "plan", "predict", "potential", "seem", "seek", "future", "outlook", the negative forms of these words and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to statements regarding the potential benefits of the Business Combination, iLearningEngines' ability to complete and maintain its listing on NASDAQ, the Company's future growth prospects, the Company's ability to address market opportunities across artificial intelligence, global e-learning and hyperautomation and the potential growth of the Company's addressable market. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of the iLearningEngines' management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions this press release relies on. Many actual events and circumstances are beyond the control of iLearningEngines. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political, and legal conditions; iLearningEngines' failure to realize the anticipated benefits of the Business Combination; risks relating to the uncertainty of the projected financial information with respect to iLearningEngines; risks related to the rollout of iLearningEngines' business and the timing of expected business milestones; iLearningEngines' dependence on a limited number of customers and partners; iLearningEngines' ability to obtain sufficient financing to pay its expenses incurred in connection with the closing of the business combination; the ability of iLearningEngines to issue equity or equity-linked securities or obtain debt financing in the future; risks related to iLearningEngines' need for substantial additional financing to implement its operating plans, which financing it may be unable to obtain, or unable to obtain on acceptable terms; iLearningEngines' ability to maintain the listing of its securities on Nasdaq or another national securities exchange; the risk that the Business Combination disrupts current plans and operations of iLearningEngines; the effects of competition on iLearningEngines' future business and the ability of iLearningEngines to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; risks related to political and macroeconomic uncertainty; the outcome of any legal proceedings that may be instituted against iLearningEngines or any of their respective directors or officers, including litigation related to the Merger Agreement or the Business Combination; the impact of the global COVID-19 pandemic on any of the foregoing risks; and those factors discussed in the Company's registration statement on Form S-4, as amended or supplemented, under the heading "Risk Factors," and other documents the Company has filed, or will file, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that iLearningEngines does not presently know, or that iLearningEngines does not currently believe are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect iLearningEngines' expectations, plans, or forecasts of future events and views as of the date of this communication. iLearningEngines anticipates that subsequent events and developments will cause iLearningEngines' assessments to change. However, while iLearningEngines may elect to update these forward-looking statements at some point in the future, iLearningEngines specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing iLearningEngines' assessments as of any date subsequent to the date of this communication. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Contacts

For iLearningEngines:
Investor Contacts:
Kevin Hunt
iLearningEnginesIR@icrinc.com

For iLearningEngines:
Dan Brennan
ICR Inc.
iLearningPR@icrinc.com

Exhibit 99.2

AI for the Limitless Enterprise

iLearningEngines Reports Fourth Quarter and Full Year 2023 Results

Fourth quarter revenue grew 39% year-over-year to $116 million

Posts record full year revenue of $421 million, up 36% year-over-year, and ARR growth accelerates to 43% year-over-year

BETHESDA, MD April 22, 2024 – iLearningEngines, Inc. (NASDAQ: AILE) ("iLearningEngines", "ILE", or "the Company"), a leader in AI-powered learning automation and information intelligence for corporate and educational use, today announced financial results for the fourth quarter and fiscal year ended December 31, 2023.

"The fourth quarter capped off a strong 2023," said Harish Chidambaran, Chief Executive Officer of iLearningEngines. "During 2023, we expanded our core markets, grew end customers and 497,000 licensed users, achieved 36% revenue growth year-over-year, and reached $447 million of annual recurring revenue[1]. We are pleased to be carrying this business momentum into the first half of 2024."

Key Fourth Quarter & Full Year 2023 Financial Highlights

- **Revenue** – fourth quarter 2023 revenue of $116 million increased 39% year-over-year. Full year 2023 revenue of $421 million increased 36% year-over-year.
- **Annual Recurring Revenue ("ARR")**[1] – ARR of $447 million increased 43% year-over-year.
- **Net Dollar Retention ("NDR")**[1] – NDR of 125% in 2023 increased compared to 117% in 2022.
- **Net Loss** – Fourth quarter GAAP net loss of $4 million. Full year 2023 GAAP net loss of $4 million.
- **Adjusted EBITDA & Adjusted EBITDA Margin**[2] – Fourth quarter 2023 adjusted EBITDA of $10 million, and full year 2023 adjusted EBITDA of $23 million. Adjusted EBITDA margin expanded by 240 basis points in Q4 2023 compared to Q4 2022, and 85 basis points in full year 2023 compared to full year 2022.

1 For additional information regarding ARR and NDR, please see the section titled "Certain Definitions" at the end of this press release.

2 Adjusted EBITDA and Adjusted EBITDA margin are a non-GAAP financial measures. For descriptions and reconciliations of our non-GAAP financial measures to their most comparable GAAP financial measures, please see the section titled "Non-GAAP Financial Measures" and the tables at the end of this press release.

AI for the Limitless Enterprise

- **Financial Summary & Operating Metrics (In millions) - Fourth Quarter 2023**

Metric	Q4 2023	Q4 2022	Δ Y/Y
Revenue	116	83	39%
ARR	447	314	43%
Gross profit	80	58	38%
Net (loss) income	(4)	8	NM
Adjusted EBITDA	10	3	NM
Adjusted EBITDA Margin	8.6%	3.5%	NM

- **Financial Summary & Operating Metrics (In millions) - Full Year 2023**

Metric	FY 2023	FY 2022	Δ Y/Y
Revenue	421	309	36%
ARR	447	314	43%
Gross profit	288	215	34%
Net (loss) income	(4)	11	NM
Adjusted EBITDA	23	13	NM
Adjusted EBITDA Margin	5.6%	4.1%	NM

Recent Business Highlights

- Strong customer and partner growth includes adding three new value-added resellers (“VARs”) in 2023, bringing total Contracted Customers to 29.
- Reached more than 4.4 million licensed users at the end of 2023.
- On April 16, 2024, successfully completed a business combination (the “Business Combination”) transaction with Arrowroot Acquisition Corp. (“Arrowroot”) and began trading as a public company under the ticker “AILE” on April 17, 2024.
- Appointed Matthew Barger, Ian Davis, Bruce Mehlman, Michael Moe, and Tom Olivier to its Board of Directors.
- Finished 2023 with 508 employees globally, including 98 full-time employees and 410 contractors.

“Our differentiated AI solutions enable customers to productize their institutional knowledge and drive mission-critical business outcomes,” continued Chidambaran. “In 2024, we intend to continue to invest heavily in R&D, including our industry-specific datasets, while we also execute our sales strategy to drive value for new and existing customers.”

The Company intends to host a conference call in May 2024 to discuss first quarter 2024 financial results.

AI for the Limitless Enterprise

About iLearningEngines

iLearningEngines is a leading provider of cloud-based, AI driven, learning and workforce automation solutions mission-critical training for enterprises. iLearningEngines has consistently ranked as one of the fastest growing companies in North America on the Deloitte Technology Fast 500. iLearningEngines' AI and Learning Automation platform is used by enterprises to productize their enterprise knowledge for consumption throughout the enterprise. The intense demand for scalable outcome-based training has led to deployments in some of the most regulated and detail-oriented vertical markets, including Healthcare, Education, Insurance, Retail, Oil & Gas / Energy, Manufacturing and Government. iLearningEngines was founded by Harish Chidambaran in 2010, and is headquartered in Bethesda, MD with international offices in Dubai, UAE and Trivandrum, Pune and Kochi, India. For more information about iLearningEngines, please visit: www.ilearningengines.com.

IR & Press Contacts

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Press Contact:
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iLearningPR@icrinc.com

AI for the Limitless Enterprise

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
(In thousands, except share amounts)

	Year Ended December 31,			Amount Change		% Change	
	2023	2022	2021	2023 vs 2022	2022 vs 2021	2023 vs 2022	2022 vs 2021
Revenue	$ 420,582	$ 309,170	$ 217,867	$ 111,412	$ 91,303	36.0%	41.9%
Cost of revenue	132,154	93,890	64,834	38,264	29,056	40.8%	44.8%
Gross profit	288,428	215,280	153,033	73,148	62,247	34.0%	40.7%
Operating expenses:							
Selling, general, and administrative expenses	140,897	105,966	74,434	34,931	31,532	33.0%	42.4%
Research and development expenses	128,544	97,436	70,913	31,108	26,523	31.9%	37.4%
Total operating expenses	269,441	203,402	145,347	66,039	58,055	32.5%	39.9%
Operating income	18,987	11,878	7,686	7,109	4,192	59.9%	54.5%
Other (expense) income:							
Interest expense	(6,274)	(6,614)	(5,047)	340	(1,567)	5.1%	31.0%
Change in fair value of warrant liability	(771)	248	(83)	(1,019)	331	NM	NM
Change in fair value of convertible notes	(14,147)	-	-	(14,147)	-	NM	NM
Other expense	(45)	(21)	(3)	(24)	(18)	NM	NM
Total other expense, net	(21,237)	(6,387)	(5,133)	(14,850)	(1,254)	NM	24.4%
Net income before income tax (expense) benefit	(2,250)	5,491	2,553	(7,741)	2,938	NM	NM
Income tax (expense) benefit	(2,157)	5,975	(32)	(8,132)	6,007	NM	NM
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521	$ (15,873)	$ 8,945	NM	NM

AI for the Limitless Enterprise

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	As of December 31,	
	2023	**2022**
Assets		
Current assets:		
Cash	$ 4,763	$ 856
Restricted cash	2,000	-
Accounts receivable, net of provision for credit loss of $336 and $0, respectively	73,498	34,698
Contract asset	509	9,408
Prepaid expenses	62	88
Total current assets	80,832	45,050
Receivable from Technology Partner	13,602	10,217
Receivable from related party	465	595
Other assets	729	885
Deferred tax assets, net	5,703	6,798
Deferred transaction costs	3,990	-
Total assets	$ 105,321	$ 63,545
Liabilities and shareholders' deficit		
Current liabilities:		
Trade accounts payable	$ 3,753	$ 787
Accrued expenses	2,982	1,284
Current portion of long-term debt, net	10,517	8,138
Contract liability	2,765	2,106
Payroll taxes payable	3,037	2,789
Other current liabilities	116	237
Total current liabilities	23,170	15,341
Convertible notes	31,547	-
Warrant liability	11,870	7,645
Long-term debt, net	10,679	9,713
Subordinated payable to Technology Partner	49,163	47,495
Other non-current liabilities	74	126
Total liabilities	126,503	80,320
Shareholders' deficit:		
Common Shares $0.0001 par value: 200,000,000 shares authorized: 95,782,605 shares issued and outstanding at December 31, 2023 and December 31, 2022	10	10
Additional paid-in capital	36,384	36,384
Accumulated deficit	(57,576)	(53,169)
Total shareholders' deficit	(21,182)	(16,775)
Total liabilities and shareholders' deficit	$ 105,321	$ 63,545

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ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years ended December 31,		
	2023	**2022**	**2021**
Cash flows used in operating activities:			
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Adjustments to reconcile net income to net cash flows used in operating activities:			
Depreciation and amortization	128	77	—
Share based compensation expense	—	—	39
Amortization of debt discount and debt issuance costs	2,103	3,248	2,186
Provision for deferred taxes	1,095	(6,798)	—
Accretion of interest on subordinated payable to Technology Partner	1,668	1,667	1,668
Change in fair value of warrant liability	771	(248)	83
Change in fair value of convertible debts	14,147	—	—
Provision for credit losses	336	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(39,136)	(18,740)	(5,395)
Receivable from related party	130	20	(350)
Contract asset	8,899	7,645	2,115
Advance to customer	—	362	(362)
Prepaid expenses and other current assets	26	(31)	(56)
Receivable from Technology Partner	(3,385)	(9,490)	(727)
Trade accounts payable	1,906	163	536
Accrued expenses and other current liabilities	(47)	702	(718)
Contract liability	659	613	613
Subordinated payable to Technology Partner	—	—	(10,503)
Payroll taxes payable	248	401	116
Deferred transaction costs	(1,307)	—	—
Net cash flows used in operating activities	(16,166)	(8,943)	(8,234)
Cash flows (used in) provided by investing activities:			
Purchase of property and equipment	(24)	—	(18)
Cash acquired from business acquisition	—	161	—
Net cash flows (used in) provided by investing activities:	(24)	161	(18)
Cash flows provided by financing activities:			
Proceeds from term loans	15,000	10,000	7,000
Repayment of term loans	(10,303)	(4,766)	(272)
Proceeds from convertible notes	17,400	—	—
Other financing activities	—	(3)	1
Net cash flows provided by financing activities:	22,097	5,231	6,729
Net change in cash	5,907	(3,551)	(1,523)
Cash and restricted cash, beginning of year	856	4,407	5,930
Cash and restricted cash, end of year	$ 6,763	$ 856	$ 4,407
Supplemental disclosure of cash flows information:			
Cash paid during the year for interest	$ 2,510	$ 3,557	$ 922
Supplemental disclosure of non-cash investing and financing information:			
Issuance of warrants to purchase common shares	$ 3,455	$ 1,027	$ 3,193
Issuance of equity for acquisition of In2vate, LLC	$ —	$ 883	$ —
Accrued transaction costs	$ 2,683	$ —	$ —
Capital contribution from cancellation of convertible notes	$ —	$ —	$ 574
Reconciliation of cash and restricted cash			
Cash	$ 4,763	$ 856	$ 4,407
Restricted cash	$ 2,000	$ —	$ —
Total cash and restricted cash at end of year	$ 6,763	$ 856	$ 4,407

Certain Definitions

(a) "ARR" or "Annual Recurring Revenue" means the annualized recurring value of all active maintenance and support contracts at the end of a reporting period. ARR is useful for assessing the performance of the Company's recurring maintenance and support revenue base and identifying trends affecting the Company's business. ARR mitigates fluctuations due to seasonality, contract term, sales mix, and revenue recognition timing resulting from revenue recognition methodologies under GAAP. ARR should be viewed independently of revenue as it is an operating measure and is not intended to be combined with or to replace GAAP revenue.

(b) "NDR" or "Net Dollar Retention" means an operational performance measure that is used to assess client retention and its dollar impact on business. NDR is defined as the ARR in dollars generated in the current period by clients that existed in the prior comparable period divided by the ARR in dollars by those same clients in the prior period. NDR illustrates the impact of upgrades, downgrades, and cancellations in the current period on the existing client base. Since NDR does not factor in revenue from clients acquired in the current period and includes any churn from existing contracted customers, it is believed that it is an accurate measure of client retention. For the avoidance of doubt, NDR does not exclude prior year contracted customers that were not retained in the current year.

   a. NDR is calculated as the dollar value of recurring revenue from existing clients at the end of the prior period, plus the current period's dollar impact of upsells or cross-sells from the prior period's existing clients, minus the current period's dollar impact of churn or downgrades from the prior period's existing clients, divided by prior period recurring revenues from existing clients.

   b. The dollar impact of upsells or cross-sells is calculated as the sum of incremental recurring revenue between the end of the prior period and the end of the current period from the prior period's existing clients that expanded usage of our products resulting in incremental recurring revenues earned in the current period.

   c. The dollar impact of churn or downgrades is calculated as the difference in recurring revenue between the end of the prior period and the end of the current period from the prior period's existing clients that have decreased in usage or are no longer revenue contributing customers.

(c) "NM" means not meaningful

Forward-Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995 with respect to the Business Combination. Forward looking statements generally are accompanied by words such as "believe," "may," "will, "estimate," "continue," "anticipate," "intend," expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," the negative forms of these words and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding the potential benefits of the Business Combination, the Company's future growth prospects, the Company's plans to invest heavily in R&D, including industry-specific datasets, the Company's ability to drive value for new and existing customers and the Company's ability to address market opportunities across artificial intelligence. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of the iLearningEngines' management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions this press release relies on. Many actual events and circumstances are beyond the control of iLearningEngines. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political, and legal conditions; iLearningEngines' failure to realize the anticipated benefits of the Business Combination; risks related to the rollout of iLearningEngines' business and the timing of expected business milestones; iLearningEngines' dependence on a limited number of customers and partners; iLearningEngines' ability to obtain sufficient financing to pay its expenses incurred in connection with the closing of the business combination; the ability of iLearningEngines to issue equity or equity-linked securities or obtain debt financing in the future; risks related to iLearningEngines' need for substantial additional financing to implement its operating plans, which financing it may be unable to obtain, or unable to obtain on acceptable terms; iLearningEngines' ability to maintain the listing of its securities on Nasdaq or another national securities exchange; the risk that the Business Combination disrupts current plans and operations of iLearningEngines; the effects of competition on iLearningEngines future business and the ability of iLearningEngines to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; risks related to political and macroeconomic uncertainty; the outcome of any legal proceedings that may be instituted against iLearningEngines or any of their respective directors or officers, including litigation related to the Business Combination; the impact of the global COVID-19 pandemic on any of the foregoing risks; and those factors discussed in the Company's registration statement on Form S-4, as amended or supplemented, under the heading "Risk Factors," and other documents the Company has filed, or will file, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that iLearningEngines does not presently know, or that iLearningEngines does not currently believe are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect iLearningEngines' expectations, plans, or forecasts of future events and views as of the date of this communication. iLearningEngines anticipate that subsequent events and developments will cause iLearningEngines' assessments to change. However, while iLearningEngines may elect to update these forward-looking statements at some point in the future, iLearningEngines specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing iLearningEngines' assessments as of any date subsequent to the date of this communication. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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Non-GAAP Financial Measures

In addition to financial information prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), this press release also contains adjusted EBITDA and adjusted EBITDA margin. The Company believes these measures provide investors and management with supplemental information relating to operating performance and trends that facilitate comparisons between periods.

Adjusted EBITDA is calculated net (loss) income plus: (1) interest, (2) taxes, (3) depreciation and amortization, (4) stock-based compensation and other stock-settled obligations; (5) goodwill, long-lived assets and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) non-recurring expenses and income. Adjusted EBITDA is a performance measure that the Company uses to assess its operating performance and the operating leverage within its business. The Company monitors Adjusted EBITDA as a non-GAAP financial measure to supplement the financial information it presents in accordance with GAAP to provide investors with additional information regarding its financial results. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue.

The Company believes the use of non-GAAP financial measures helps indicate underlying trends in the Company's business and are important in comparing current results with prior period results and understanding projected operating performance. Non-GAAP financial measures provide the Company and its investors with an indication of the Company's baseline performance before items that are considered by the Company not to be reflective of the Company's ongoing results. See the attached reconciliation tables for details of the amounts excluded and included to arrive at certain of the non-GAAP financial measures.

These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. In addition, from time to time in the future there may be other items that the Company may exclude for purposes of its non-GAAP financial measures; and the Company may in the future cease to exclude items that it has historically excluded for purposes of its non-GAAP financial measures. Likewise, the Company may determine to modify the nature of its adjustments to arrive at its non-GAAP financial measures. The Company strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP financial measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

The following table presents a reconciliation of Adjusted EBITDA to net (loss) income, the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

	Year Ended December 31,		
	2023	**2022**	**2021**
	(Dollars in thousands)		
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Interest expense	6,274	6,614	5,047
Income tax expense (benefit)	2,157	(5,975)	32
Depreciation and amortization	128	77	-
EBITDA	**4,152**	**12,182**	**7,600**
Other expense	45	21	3
Share-based compensation expense	-	-	39
Transaction costs[3]	4,280	709	159
Change in fair value of warrant liability	771	(248)	83
Change in fair value of convertible notes	14,147	-	-
Adjusted EBITDA	**$ 23,395**	**$ 12,664**	**$ 7,884**
Adjusted EBITDA Margin	**5.6%**	**4.1%**	**3.6%**

3 Represents legal, tax, accounting, consulting, and other professional fees related to the merger with Arrowroot and previously explored strategic alternatives, all of which are non-recurring in nature.

ILEARNINGENGINES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of iLearningEngines Inc. (for purposes of this section, the "Company," "iLearningEngines" "we," "us" and "our" refer to iLearningEngines Inc. (which changed its name to iLearningEngines Holdings, Inc. in connection with the Business Combination (as defined below)) and its subsidiaries prior to the consummation of the Business Combination and iLearningEngines, Inc. (formerly known as Arrowroot Acquisition Corp) after the consummation of the Business Combination, unless the context otherwise requires) should be read together with iLearningEngines' audited consolidated financial statements as of December 31, 2023, and 2022 and for the fiscal years ended December 31, 2023, 2022 and 2021, in each case together with the related notes thereto, included elsewhere in this Current Report on Form 8-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere, particularly in the "Cautionary Note Regarding Forward-Looking Statements" section of this Current Report on Form 8-K, and in the "Risk Factors" section in the Proxy Statement/Prospectus, as supplemented, and other periodic filings of iLearningEngines, which are or will be filed with the SEC.

Recent Developments

Business Combination

On April 27, 2023, we entered into an Agreement and Plan of Merger and Reorganization (as amended, the "Merger Agreement") with Arrowroot Acquisition Corp. ("ARRW"), a Delaware corporation and ARAC Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of ARRW ("Merger Sub"). On April 16, 2024 (the "Closing Date"), we consummated the merger transactions contemplated by the Merger Agreement, following the approval by ARRW's stockholders at a special meeting of stockholders held on April 1, 2024, whereby Merger Sub merged with and into iLearningEngines with the separate corporate existence of Merger Sub ceasing (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Business Combination"). The closing of the Business Combination is herein referred to as "the Closing." In connection with the consummation of the Merger on the Closing Date, ARRW changed its name from Arrowroot Acquisition Corp. to iLearningEngines, Inc. and iLearningEngines changed its name to iLearningEngines Holdings, Inc. (in such post-closing capacity, "Legacy iLearningEngines")

As a result of the Merger and upon the Closing, among other things, (1) each share of Legacy iLearningEngines Common Stock issued and outstanding as of immediately prior to the Closing was exchanged for the right to receive the number of shares of common stock, par value $0.0001 per share, of New iLearningEngines ("New iLearningEngines Common Stock") equal to the exchange ratio of 0.8061480 (the "Exchange Ratio") for an aggregate of 77,242,379 shares of New iLearningEngines Common Stock; (2) each share of Legacy iLearningEngines Common Stock held in the treasury of Legacy iLearningEngines was cancelled without any conversion thereof and no payment or distribution was or will be made with respect thereto; (3) each Vested RSU was cancelled and converted into the right to receive, subject to settlement and delivery in accordance with the Legacy iLearningEngines equity incentive plan, a number of New iLearningEngines Common Stock equal to the Exchange Ratio, for an aggregate of 5,675,890 shares of New iLearningEngines Common Stock; (4) each Unvested RSU was cancelled and converted into the right to receive a number of restricted stock units issued by the New iLearningEngines equal to the Exchange Ratio ("New iLearningEngines Converted RSU Award"), with each New iLearningEngines Converted RSU Award subject to the same terms and conditions as were applicable to the original Legacy iLearningEngines restricted stock unit award, for an aggregate of 78,730 shares of New iLearningEngines Common Stock subject to New iLearningEngines RSU Awards; (5) each share of vested Legacy iLearningEngines restricted stock was converted into the right to receive a number of shares of New iLearningEngines Common Stock equal to the Exchange Ratio, for an aggregate of 290,447 shares of New iLearningEngines Common Stock; (6) each share of unvested Legacy iLearningEngines restricted stock was converted into the right to receive a number of restricted shares of New iLearningEngines Common Stock ("New iLearningEngines Converted Restricted Stock") equal to the Exchange Ratio, with substantially the same terms and conditions as were applicable to such unvested Legacy iLearningEngines restricted stock immediately prior to the Effective Time, which shares will be restricted subject to vesting on the books and records of Legacy iLearningEngines, for an aggregate of 32,151,912 shares of New iLearningEngines Converted Restricted Stock; and (7) each Convertible Note (as defined below) was converted into the right to receive a number of shares of New iLearningEngines Common Stock equal to the Convertible Note Balance, *divided by* $10.00, for an aggregate of 13,060,608 shares of New iLearningEngines Common Stock.

2024 Convertible Note Purchase Agreements

On March 21, 2024, Legacy iLearningEngines entered into the 2024 convertible note purchase agreement (the "2024 Convertible Note Purchase Agreement") with an investor (the "March Investor") pursuant to which, among other things, Legacy iLearningEngines issued and sold a 2024 Convertible Note to the March Investors with an aggregate principal amount of $700,000. On April 16, 2024, Legacy iLearningEngines entered into the 2024 Convertible Note Purchase Agreement, with certain investors (collectively, the "April Investors" and, together with the March Investor, the "2024 Convertible Note Investors"), pursuant to which, among other things, Legacy iLearningEngines issued and sold to the 2024 Convertible Note Investors convertible notes due in October 2026 ("2024 Convertible Notes") with aggregate principal amount of $29,414,500 (including the initial $700,000 shares). Each 2024 Convertible Note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each 2024 Convertible Note automatically converted into 8,089,532 shares of Legacy iLearningEngines thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares New iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the outstanding principal under such Convertible Note, plus all accrued and unpaid interest thereon, divided by (ii) $10.00. The price per share at which the Principal (as defined in the 2024 Convertible Note Purchase Agreement), together with accrued but unpaid interest, on each 2024 Convertible Note converts into Incentive Shares (as defined in the 2024 Convertible Note Purchase Agreement) is referred to as the "Conversion Price" herein.

In the event that the VWAP (as defined in the 2024 Convertible Note Purchase Agreement) of the New iLearningEngines Common Stock over the ten (10) trading days immediate preceding November 30, 2024 (the "Reference Date") is below the Conversion Price, then the 2024 Convertible Note shall be converted into shares of New iLearningEngines Common Stock, together with a make-whole payment equal to a number of additional Incentive Shares (rounded down to the nearest whole share) equal to (i) the Conversion Price, divided by the Reference Price (as defined below), minus (ii) one (1). "Reference Price" means the greater of (i) the VWAP of the New iLearningEngines Common Stock over the ten (10) trading days immediately preceding the Reference Date and (ii) $1.00. Notwithstanding the foregoing, the maximum number of shares issuable pursuant to the 2024 Convertible Notes shall not exceed 10,000,000 Incentive Shares.

In connection with the issuance of the 2024 Convertible Notes, on March 21, 2024, (i) Legacy iLearningEngines entered into a joinder to the Amended and Restated Registration Rights Agreement with each of the 2024 Convertible Note Investors, and (ii) the 2024 Convertible Note Investors entered into subordination agreements in favor of any holder of senior debt, a form of which is attached hereto as Exhibit 10.31 and incorporated herein by reference.

A description of the 2024 Convertible Notes is included in Supplement No. 3 under the heading "Recent Developments – 2024 Convertible Notes", which is incorporated herein by reference.

Revolving Loan Agreement

On April 17, 2024 (the "Loan Closing Date"), Legacy iLearningEngines entered into a Loan and Security Agreement (the "Revolving Loan Agreement"), by and among Legacy iLearningEngines as borrower ("Borrower"), the lenders party thereto (the "Lenders") and East West Bank, as administrative agent and collateral agent for the Lenders ("Agent"). The Revolving Loan Agreement provides for (i) a revolving credit facility in an aggregate principal amount of up to $40.0 million and (ii) an uncommitted accordion facility allowing the Borrower to increase the revolving commitments by an additional principal amount of $20.0 at Borrower's option and upon Agent's approval (collectively, the "Revolving Loans"). Borrower drew $40.0 million in Revolving Loans on the Loan Closing Date, which was used (x) to repay in full Borrower's existing indebtedness under the (i) Loan and Security Agreement, dated as of December 30, 2020, between Legacy iLearningEngines and Venture Lending & Leasing IX, Inc., (ii) Loan and Security Agreement, dated as of October 21, 2021, between Legacy iLearningEngines, and Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc. and (iii) Loan and Security Agreement, dated as of October 31, 2023, between Legacy iLearningEngines and WTI Fund X, Inc. (the "WTI Loan Agreements") and which will be used for (y) for general corporate purposes.

The obligations under the Revolving Loan Agreement are secured by a perfected security interest in substantially all of the Borrower's assets except for certain customary excluded property pursuant to the terms of the Revolving Loan Agreement. On the Loan Closing Date, the Company and In2Vate, L.L.C., an Oklahoma limited liability company (the "Guarantors") and wholly-owned subsidiary of Legacy iLearningEngines entered into a Guaranty and Suretyship Agreement (the "Guaranty") with the Agent, pursuant to which the Guarantors provided a guaranty of Borrower's obligations under the Revolving Loan Agreement and provided a security interest in substantially all of the Guarantors' assets except for certain customary excluded property pursuant to the terms of the Guaranty.

The interest rate applicable to the Revolving Loans is Adjusted Term SOFR (with an interest period of 1 or 3 months at the Borrower's option) plus 3.50% per annum, subject to an Adjusted Term SOFR floor of 4.00%.

The maturity date of the Revolving Loans is April 17, 2027. The Revolving Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Borrower is also required to comply with the following financial covenants, which are more fully set forth in the Revolving Loan Agreement (i) minimum liquidity, (ii) minimum revenue performance to plan, (iii) minimum fixed charge coverage ratio and (iv) maximum leverage ratio.

The Revolving Loan Agreement also includes customary events of default, including failure to pay principal, interest or certain other amounts when due, material inaccuracy of representations and warranties, violation of covenants, specified cross-default and cross-acceleration to other material indebtedness, certain bankruptcy and insolvency events, certain undischarged judgments, material invalidity of guarantees or grant of security interest, material adverse effect and change of control, in certain cases subject to certain thresholds and grace periods. If one or more events of default occurs and continues beyond any applicable cure period, the Agent may, with the consent of the Lenders holding a majority of the loans and commitments under the facility, or will, at the request of such Lenders, terminate the commitments of the Lenders to make further loans and declare all of the obligations of the Company under the Revolving Loan Agreement to be immediately due and payable.

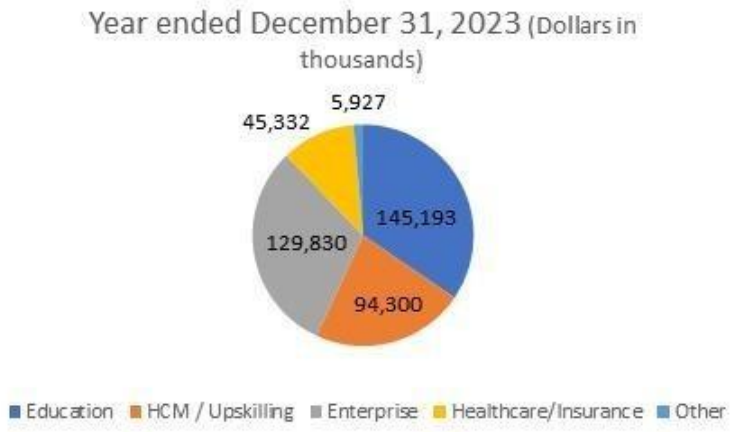
Mizuho Fee Agreement

On June 5, 2020, Mizuho and iLearningEngines entered into a letter agreement (the "Mizuho Engagement Letter") pursuant to which iLearningEngines engaged Mizuho as a financial advisor in connection with the Business Combination. On March 27, 2024, the Company and Mizuho amended the Mizuho Engagement Letter (the "Amended Mizuho Engagement Letter"), to provide that, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses owed under the Mizuho Engagement Letter, the iLearningEngines shall pay (or cause the combined company to pay) Mizuho the $7,500,000 Mizuho Fee in cash or New iLearningEngines Shares, at the sole discretion of the combined company. If iLearningEngines elects to pay the Mizuho Fee in New iLearningEngines Shares, then prior to the issuance of such shares, iLearningEngines has agreed to register such shares on Form S-3 or Form S-1 or any similar long-form registration statement that may be available at such time and to list such shares on the principal national securities exchange on which the New iLearningEngines Shares are then listed and traded.

Overview

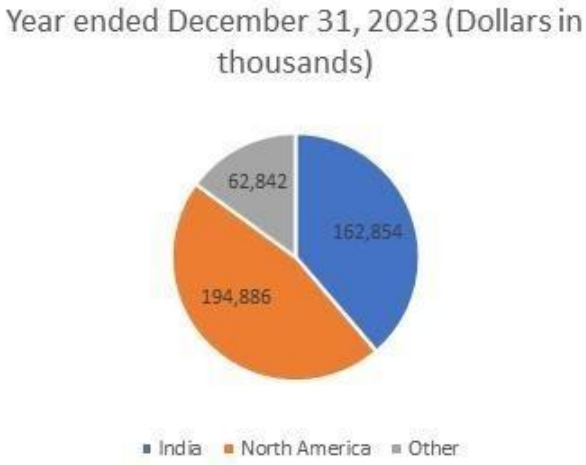
iLearningEngines is an out-of-the-box AI platform that empowers customers to "productize" their institutional knowledge and generate and infuse insights in the flow-of-work to drive mission critical business outcomes. iLearningEngines' customers "productize" their institutional knowledge by transforming it into actionable intellectual property that enhances outcomes for employees, customers and other stakeholders. Our platform enables enterprises to build intelligent "Knowledge Clouds" that incorporate large volumes of structured and unstructured information across disparate internal and external systems, and to automate organizational processes that leverage these Knowledge Clouds to improve performance. Our Learning Experience Platform addresses the corporate learning market and our Information Intelligence Platform addresses the information management, analytics and automation markets. We combine our platforms with vertically focused capabilities and data models to operationalize AI and automation to effectively and efficiently address critical challenges facing our customers. Our customers utilize our platform to analyze and address employee knowledge gaps, provide personalized cognitive assistants or chatbots, and make predictive decisions based on real-time insights.

We serve more than 1,000 enterprise end customers, with over 4.4 million licensed users across 12+ industry verticals. Our revenue by end licensed user industry vertical is set forth below:



Other includes customers in the oil & gas, aviation, retail, automobile, utilities, government, and logistics industries.

Our customers are broadly distributed geographically with a focus on North America and India. Our revenue by customer geography is shown below:



With respect to our disaggregation of revenue by customer geography, geography is primarily determined based on the location of the customer identified in the contract. As described in the Technology Partner policy note in Note 2 of the audited financials, we enter contracts with the Technology Partner through which the Technology Partner purchases and integrates our platform into the Technology Partner's own software solution provided to one of the Technology Partner's customers. In this type of contractual arrangement, we identify the Technology Partner as our customer. In contractual arrangements in which the Technology Partner is identified as the customer, the Technology Partner's end customer may or may not be known by us. In cases in which the Technology Partner's customer is known to the Company, the geography is determined based on the location of the Technology Partner's customer and conversely, in cases in which the Technology Partner's customer is not known, the customer geography is determined based on the geography of the Technology Partner.

We provide access to our platform through software licenses that grant our customers the right to use our proprietary software and access to our maintenance and support services. Most of the value of our contracts relates to software licenses for the use of our software and related maintenance and support, but we also allocate a portion of the consideration to implementation services. Nearly all of our revenues are generated from long term maintenance and support agreements, which are typically one to three years in length and contain provisions to auto-renew for one-year periods. As a result of our deep integration within the operations of our clients and our multi-period maintenance and support agreements, our business model provides us with significant visibility into our future performance and considerable predictability of our results.

Pricing for our contracts is determined based on scale, use cases, usage patterns of our customers and strategic value to us, as well as the amount of support we expect will be required. Therefore, our pricing is highly variable. We offer user licenses for both Experts and end users ("Learners"). Experts are the designated "gatekeepers" within our customers' organizations that are granted content augmentation capabilities and are provided with the ability to create and distribute content to improve outcomes. Learners utilize the platform for the consumption of learning and other content. Expert licenses are priced higher since they require more consistent ongoing support from us.

The following contracted customers accounted for more than 10% of our revenue in the periods shown below:

	Year Ended December 31, 2023		Year Ended December 31, 2022		Year Ended December 31, 2021	
	(%)		(%)		(%)	
Customer A	19.3%	Customer A	17.4%	Customer B	22.8%
Customer B	16.0%	Customer B	17.0%	Customer D	20.2%
Customer C	11.7%	Customer C	14.9%	Customer C	13.1%
Customer D	11.9%	Customer D	14.3%	Customer E	11.0%
		Customer E	10.3%		

In 2023, we generated $421 million of revenue, representing 36% growth over the prior year, with 69% gross margins. Our near-term profitability will be affected mainly by our ability to grow revenue, the gross margins we can achieve on sales, and our ability to control our selling, general and administrative and research and development ("R&D") expenses while strategically investing in our growth and solution capabilities. We expect that our cost of revenue will increase on an absolute basis over the next few quarters as a result of implementation and dedicated application and content support for newly added customers to ensure that our customers are able to increase engagement and optimizing the value of our products. Our sales strategy includes leveraging channel partners with significant domain expertise to provide us with access to new customers, verticals and markets, and our direct salesforce has proven to be effective in expanding our presence within our customers. Over time, we intend to prioritize our growth within industry verticals and geographies that we believe will provide the greatest profitability prospects for us over the longer term.

Key Performance Metrics

We regularly review the following performance metrics to evaluate our business, identify trends affecting our business, prepare financial projections, and make strategic decisions. The calculation of these metrics may differ from other similarly titled metrics used by other companies, securities analysts or investors.

Annual Recurring Revenue. Annual Recurring Revenue ("ARR") is defined as the annualized recurring value of all active maintenance and support contracts at the end of a reporting period. We believe ARR is useful for assessing the performance of our recurring maintenance and support revenue base and identifying trends affecting our business. ARR mitigates fluctuations due to seasonality, contract term, sales mix, and revenue recognition timing resulting from revenue recognition methodologies under GAAP. ARR should be viewed independently of revenue as it is an operating measure and is not intended to be combined with or to replace GAAP revenue.

	Year Ended December 31,		
(dollars in thousands)	**2023**	**2022**	**2021**
ARR	$ 447,343	$ 313,667	$ 224,332

Net Dollar Retention. Net Dollar Retention ("NDR") is an operational performance measure that we use to assess our client retention and its dollar impact on our business. We define Net Dollar Retention ("NDR") as the ARR in dollars generated in the current period by clients that existed in the prior comparable period divided by the ARR in dollars by those same clients in the prior period. NDR illustrates the impact of upgrades, downgrades and cancellations in the current period on the existing client base. Since NDR does not factor in revenue from clients acquired in the current period and includes any churn from existing contracted customers, we believe it is an accurate measure of client retention. For the avoidance of doubt, NDR does not exclude prior year contracted customers that were not retained in the current year. Our NDR has varied between 115% and 140% over recent years. We intend to continue to employ a "land and expand" strategy which will help grow our NDR, but NDR may also begin to be affected by the maturation of our existing client base which could stabilize their dollar spend with us.

NDR is calculated as the dollar value of recurring revenue from existing clients at the end of the prior period, plus the current period's dollar impact of upsells or cross-sells from the prior period's existing clients, minus the current period's dollar impact of churn or downgrades from the prior period's existing clients, divided by prior period recurring revenues from existing clients.

The dollar impact of upsells or cross-sells is calculated as the sum of incremental recurring revenue between the end of the prior period and the end of the current period from the prior period's existing clients that expanded usage of our products resulting in incremental recurring revenues earned in the current period.

The dollar impact of churn or downgrades is calculated as the difference in recurring revenue between the end of the prior period and the end of the current period from the prior period's existing clients that have decreased in usage or are no longer revenue contributing customers.

	Year Ended December 31,		
	2023	**2022**	**2021**
Net Dollar Retention	125%	117%	139%

The slight drop in NDR from 2021 to 2022 can be attributed to the lower contribution of upsell/cross sell in 2022 as some of our clients curtailed the pace of their spending increases on virtual learning post-pandemic. The increase in NDR for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was the result of increased spend on learning automation, adoption of integrated school tutoring solution and AI driven work automation by customers who had decreased spending during the pandemic.

Adjusted EBITDA. Adjusted EBITDA is a performance measure that we use to assess our operating performance and the operating leverage within our business. We define Adjusted EBITDA as net (loss) income, adjusted to exclude interest, taxes, depreciation and amortization, and any other non-cash or non-recurring items. We monitor Adjusted EBITDA as a non-GAAP financial measure to supplement the financial information we present in accordance with GAAP to provide investors with additional information regarding our financial results. We expect Adjusted EBITDA to fluctuate in the near term as we complete our SPAC merger and invest in our business to achieve greater scale and efficiencies.

We report our financial results in accordance with GAAP but management believes that Adjusted EBITDA provides investors with additional useful information in evaluating our performance. Adjusted EBITDA is a financial measure that is not required by or presented in accordance with GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business and evaluating our operating performance, as well as for internal planning and forecasting purposes.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of these limitations include that: (i) it does not properly reflect capital commitments to be paid in the future; (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures; (iii) it does not consider the impact of stock-based compensation expense; (iv) it does not reflect other non-operating expenses, including interest expense, change in fair value of warrant liability and convertible notes; (v) it does not consider the impact of any contingent consideration liability valuation adjustments, and (vi) it does not reflect tax payments that may represent a reduction in cash available to us. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA alongside other financial measures, including our net (loss) income and our other results stated in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net (loss) income, the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

	Year Ended December 31,		
	2023	2022	2021
	(Dollars in thousands)		
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Interest expense	6,274	6,614	5,047
Income tax expense (benefit)	2,157	(5,975)	32
Depreciation and amortization	128	77	-
EBITDA	**4,152**	**12,182**	**7,600**
Other expense	45	21	3
Share-based compensation expense	-	-	39
Transaction costs [1]	4,280	709	159
Change in fair value of warrant liability	771	(248)	83
Change in fair value of convertible notes	14,147	-	-
Adjusted EBITDA	**$ 23,395**	**$ 12,664**	**$ 7,884**

(1) Represents legal, tax, accounting, consulting, and other professional fees related to the Merger with ARRW and previously explored strategic alternatives, all of which are non-recurring in nature.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on several factors that present significant opportunities, risks and challenges for us.

Ability to attract and engage new customers. To grow our business, we must attract additional clients in the industries we currently serve and attract new customers in new industries. We added 497,000 new licensed users in 2023. In some of our newer industry verticals, we will need to further develop tailored solutions to best serve their interests. Engaging with new customers in any industry generally involves longer sales cycles and developing specialized industry solutions will require additional R&D expenses.

Ability to expand within our existing customer relationships. We have significant opportunities to further expand sales to our existing customer base, including expanding into new divisions and adding additional users. Our sales strategy is product-led and focuses on business units within companies, which we believe lends itself to expansion within organizations by demonstrating effective outcomes for our customers. As companies continue to embrace the power of our AI and automation tools, we target additional use cases across their enterprise. We intend to focus on these opportunities to expand our presence within our existing customers over time. Our business and results of operations will depend on our ability to continue to drive higher usage rates and new use cases within our existing customer base.

Ability to expand our geographic footprint. We have demonstrated the value of our solutions across many different use cases in a variety of verticals, and we believe that there are many geographic markets in the U.S. and around the world that are currently underpenetrated that can benefit from our solutions. However, our growth could be affected if we are unable to establish effective channel partner relationships in our target geographies on commercially reasonable terms or at all, if our solutions are not as well received in these new markets, or if competition or cultural norms impede our ability to penetrate these markets.

Adoption rate of AI-driven solutions. Our ability to grow our customer base and drive adoption of our platform is affected by overall demand levels for AI-assisted learning, automation, and information intelligence solutions. As advanced "intelligent" technology becomes increasingly critical to business operations, we believe the need for AI-enhanced development solutions, particularly an integrated platform such as ours, will increase. However, our growth could be affected if AI solutions are not embraced rapidly or are affected by some of the actual or perceived shortcomings of AI.

Potential Merger and Acquisition. We intend to complement our organic growth by pursuing strategic and tuck-in acquisition opportunities. We believe we can acquire attractive established customer bases in new markets and industry subsectors where we can leverage data sets and create new or better curriculums. However, there is no guarantee that these potential transactions can be completed on commercially reasonable terms or at all. Additionally, these acquisitions may divert management's attention and require meaningful integration efforts, which could impact our performance.

Public company costs. Following the consummation of the Business Combination, iLearningEngines was deemed the accounting acquirer and the Business Combination was accounted for as a reverse recapitalization. As a result of the Business Combination, iLearningEngines became the successor to an SEC-registered and Nasdaq-listed company, which will require us to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We expect to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees, and additional internal and external accounting, legal and administrative resources.

Key Components of Statement of Operations

Revenue

We generate our revenue primarily from software licenses for use of our proprietary software and related maintenance and support.

Implementation services

All customers require implementation services prior to being able to use the iLearningEngines platform. To date iLearningEngines has outsourced these services to its technology partner ("Technology Partner") who has been trained to provide the implementation services. Implementation services generally take one to three months and consist of the phases we follow as part of our customer onboarding process. We are the principal in the delivery of implementation services.

The implementation services do not involve significant customization or creating new software functionality. Instead, the services mainly focus on configuration and mapping customer data with the required attributes within the software platform to ensure the platform's built-in functionalities can be utilized by the customer. Revenues from implementations are recognized over time as such services are performed using an input method of efforts expended, compared to total estimated efforts to complete the project.

Combined software license and maintenance

The combined software license and maintenance performance obligation relates to the license to our AI platform and related maintenance services (including critical support functions and updates) provided over the license term. The software license to the AI platform is not considered distinct from the maintenance services, because the customer cannot derive the intended value from the software without ongoing critical support services and updates that are provided by the maintenance services. We recognize revenue from the combined software license and maintenance performance obligation ratably over the contract term beginning on the date that the software license is delivered to the customer and related maintenance services are made available, as the customer simultaneously receives and consumes the benefits of the combined software license and maintenance performance obligation. Contracts with customers typically include a fixed amount of consideration and are generally cancellable with 24 months' notice. We typically invoice customers quarterly in advance for our software license and maintenance services upon execution of the initial contract or subsequent renewal.

A contract's transaction price, which is generally a fixed fee in our arrangements, is allocated to each performance obligation and recognized as revenue as the respective performance obligation is satisfied. Our process for determining SSP involves significant management judgment since our performance obligations are not sold separately. In determining the SSP of implementation services, we estimate the cost of providing the services and add a reasonable margin. Our cost estimates are primarily based on historical cost data for similar implementation projects. The SSP of the combined software license and maintenance performance obligation uses the residual approach to estimate SSP as we sell our AI platform and related maintenance services to different customers at a highly variable range of amounts.

Cost of Revenue

Cost of revenue is comprised of expenses related to customer support and fees paid to third parties. We have level 1 support related to helpdesk, application and content support. These are variable costs that are linked to the number of active contracts. Application support in cost of revenue refers to application support and maintenance activities including integration of iLearningEngines into enterprise systems, process workflow configurations, issue triage, quality assurance and upgrade rollout support. Content support includes support provided for business operations on content maintenance, new content onboarding, SME support, ongoing re-training of AI models.

Operating Expenses

Our operating expenses consist of selling, general and administrative expenses and R&D expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of employee-related compensation, including stock-based compensation, for management and administrative functions, including our finance and accounting, legal, and people teams. Selling, general and administrative expenses also include certain professional services fees, insurance, our facilities costs, and other general overhead costs that support our operations.

Our sales strategy is comprised of two main constituents: our direct sales team and our channel partners. Our direct sales team is tasked with both acquiring direct clients in established verticals and acquiring new channel partners in expansion markets. We leverage our channel partners to generate leads in new verticals and geographies which we then scale through our direct sales force. Our sales team is supported by engineers with deep technical expertise and responsibility for pre-sales technical support, solutions for engineering for our customers and technical training for our channel partners.

We generate customer leads, accelerate sales opportunities and build brand awareness though our marketing programs and through our channel partner relationships. Our marketing programs target the business units within companies rather than their purchasing, human resources or administrative departments to drive sales by demonstrating the impact of our product capabilities on results. Our principal marketing programs include webinars, roadshows, exhibitions and events that we sponsor, cooperative marketing efforts with channel partners, and use of our website.

Research and Development Expenses

A critical part of our development efforts in AI is the data to train AI. R&D expense primarily consist of compensation costs, for employees in engineering, design and product development and maintenance, outsourced costs related to development partners, external contractors, data purchase cost and the allocation of other R&D costs. To date, our total spend on data purchases is over $160 million. Costs incurred by us between establishment of technological feasibility and the point at which the product is ready for general release are capitalized, subject to their recoverability, and amortized over the economic life of the related products. As of December 31, 2023, there's no capitalized cost.

Interest Expense

Interest expense consists primarily of interest expense, debt issuance cost incurred under our long-term debt facility.

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability consists of gains or losses from change in fair value of warrant liabilities.

Change in Fair Value of Convertible Notes

The Company elected the fair value option for convertible notes. Change in fair value of convertible notes consists of gains or losses from change in fair value of the convertible notes.

Other Expense

Other expense, net consists primarily of foreign currency exchange losses and gains.

Provision (Benefit) for Income Taxes

The provision (benefit) for income taxes represents the income tax expense associated with our operations based on the tax laws of the jurisdictions in which we operate.

Results of Operations

The following tables set forth our results of operations for the periods presented.

Comparison of the Years Ended December 31, 2023, 2022 and 2021

(Dollars in thousands)	**Year Ended December 31,**			**Amount Change %**		**Change**	
	2023	**2022**	**2021**	**2023 vs 2022**	**2022 vs 2021**	**2023 vs 2022**	**2022 vs 2021**
Revenue	$ 420,582	$ 309,170	$ 217,867	$ 111,412	$ 91,303	36.0%	41.9%
Cost of revenue	132,154	93,890	64,834	38,264	29,056	40.8%	44.8%
Gross profit	288,428	215,280	153,033	73,148	62,247	34.0%	40.7%
Operating expenses:							
Selling, general, and administrative expenses	140,897	105,966	74,434	34,931	31,532	33.0%	42.4%
Research and development expenses	128,544	97,436	70,913	31,108	26,523	31.9%	37.4%
Total operating expenses	269,441	203,402	145,347	66,039	58,055	32.5%	39.9%
Operating income	18,987	11,878	7,686	7,109	4,192	59.9%	54.5%
Other (expense) income:							
Interest expense	(6,274)	(6,614)	(5,047)	340	(1,567)	5.1%	31.0%
Change in fair value of warrant liability	(771)	248	(83)	(1,019)	331	NM	NM
Change in fair value of convertible notes	(14,147)	-	-	(14,147)	-	NM	NM
Other expense	(45)	(21)	(3)	(24)	(18)	NM	NM
Total other expense, net	(21,237)	(6,387)	(5,133)	(14,850)	(1,254)	NM	24.4%
Net income before income tax (expense) benefit	(2,250)	5,491	2,553	(7,741)	2,938	NM	NM
Income tax (expense) benefit	(2,157)	5,975	(32)	(8,132)	6,007	NM	NM
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521	$ (15,873)	$ 8,945	NM	NM

NM – not meaningful

Comparison of Years Ended December 31, 2023 and 2022

Revenue by Geographical Region

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
India	$ 162,854	$ 138,048	$ 24,806	18.0%
Percentage of revenue	38.7%	44.7%		
North America	194,886	116,112	78,774	67.8%
Percentage of revenue	46.4%	37.5%		
Other	62,842	55,010	7,832	14.2%
Percentage of revenue	14.9%	17.8%		
Total revenue	$ 420,582	$ 309,170	$ 111,412	36.0%

Global Revenue

Global revenue increased by $111.4 million or 36% for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to 17 new contracts. Please see further discussion of the change by region below.

India

Revenue in India increased by $24.8 million or 18.0% for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to two new contracts, through upsell to our existing customers of $19.4 million, one contract churn and remaining coming from an increase in license revenue as part of renewals.

North America

Revenue in North America increased by $78.8 million or 67.8% for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to 14 new contracts, with two new VARs contracted, eleven new customer contracts sold through VARs being added to our existing client base of $48.4 million and three contracts through upsell to our existing customers of $14.8 million and the remaining coming from an increase in license revenue as part of renewals.

Other

Revenue in other region, which includes Middle East and Europe, increased by $7.8 million or 14.2% for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to one new contract, through upsell to our existing customer of $6.0 million and remaining coming from an increase in license revenue as part of renewals.

Cost of Revenue and Gross Margin

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
Cost of revenue	$ 132,154	$ 93,890	$ 38,264	40.8%
Gross margin	68.6%	69.6%	(1.0)%	

Cost of revenue increased by $38.3 million, or 40.8%, for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to 17 new contracts that were added. We had an increase in cost of revenue due to new implementation costs, application & content support costs and operations and support costs related to new accounts.

Gross margin decreased to 68.6% for the year ended December 31, 2023 compared to 69.6% for the year ended December 31, 2022, primarily due to the higher dedicated support needs and related costs being higher in the first year for newly added contracts, which contributes to higher cost as the new contracts are in implementation stage.

Costs and Expenses

Selling, General and Administrative Expenses

	Year Ended December 31,			
(Dollars in thousands)	**2023**	**2022**	**Change**	**% Change**
Selling, general and administrative expenses	$ 140,897	$ 105,966	$ 34,931	33.0%
Percentage of revenue	33.5%	34.3%	(0.8)%	

Selling, general and administrative expenses increased by $34.9 million, or 33.0%, for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to new business development expense costs, marketing costs, and proof of concept development costs linked to larger pipeline in line with growth projections. Additionally, success-based commissions have also increased related to new direct contract wins.

Research and Development Expenses

	Year Ended December 31,			
(Dollars in thousands)	**2023**	**2022**	**Change**	**% Change**
Research and development expenses	$ 128,544	$ 97,436	$ 31,108	31.9%
Percentage of revenue	30.6%	31.5%	(0.9)%	

R&D expenses increased by $31.1 million, or 31.9%, for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to R&D activities related to new AI digital asset development, existing AI digital asset maintenance including monitoring, machine learning/AI model improvements, enhancement, data validation and testing and quality assurance activities. This is required to maintain our product edge and build competitive barriers and drive future growth.

Other Income and Expenses

Interest Expense

	Year Ended December 31,			
(Dollars in thousands)	**2023**	**2022**	**Change**	**% Change**
Interest expense	$ 6,274	$ 6,614	$ 340	5.1%
Percentage of revenue	1.5%	2.1%	0.6%	

Interest expense decreased by $0.3 million, or 5.1%, for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to net principal amount increase of $4.8 million between the two periods.

Change in Fair Value of Warrant Liability

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
Change in fair value of warrant liability	$ (771)	$ 248	$ (1,019)	NM
Percentage of revenue	(0.2)%	0.1%	(0.3)%	

Change in fair value of warrant liability decreased by $1.0 million for the year ended December 31, 2023 compared to the year ended December 31, 2022. In connection with the 2020 Term Loans, the 2021 Term Loans, and the 2023 Term Loan we issued the lenders warrants to purchase our stock, which may be exercisable for common or preferred stock in accordance with the terms of the warrants. The warrants were carried as a liability at its fair value because there are certain put rights that may obligate us to repurchase the warrants in the future, based on events that are outside of our control.

Change in Fair Value of Convertible Notes

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
Change in fair value of convertible notes	$ (14,147)	$ -	$ (14,147)	NM
Percentage of revenue	(3.4)%	NM	(3.4)%	

Change in fair value of convertible debt is due to issue of convertible note of $17.4 million in year ended December 31, 2023. The Company elected fair value option for the convertible notes. There were no convertible notes issued in 2022.

Other Expense

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
Other expense	$ 45	$ 21	$ 24	NM
Percentage of revenue	NM	NM	NM	

Other expense increased by less than $0.1 million for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to foreign exchange loss.

Income Tax (Expense) Benefit

(Dollars in thousands)	Year Ended December 31, 2023	2022	Change	% Change
Income tax (expense) benefit	$ (2,157)	$ 5,975	$ (8,132)	NM
Percentage of revenue	(0.5)%	1.9%	(2.4)%	

Income tax expense for the year ended December 31, 2023 was $2.2 million whereas income tax benefit for the year ended December 31, 2022 was $6.0 million, primarily due to increased revenue and operating income as well as the add back of items treated as permanent differences to taxable income.

Comparison of Years Ended December 31, 2022 and 2021

Revenue

(Dollars in thousands)	Year Ended December 31, 2022	2021	Change	% Change
India	$ 138,048	$ 126,371	$ 11,677	9.2%
Percentage of revenue	44.7%	58.0%		
North America	$ 116,112	$ 47,953	$ 68,159	142.1%
Percentage of revenue	37.5%	22.0%		
Other	$ 55,010	$ 43,543	$ 11,467	26.3%
Percentage of revenue	17.8%	20.0%		
Total revenue	$ 309,170	$ 217,867	$ 91,303	41.9%

Global Revenue

Global revenue increased by $91.3 million or 41.9% for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to 16 new contracts. Please see further discussion of the change by region below.

India

Revenue in India increased by $11.7 million or 9.2% for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily through upsell to our existing customers of $11.7 million.

North America

Revenue in North America increased by $68.2 million or 142.1% for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to 15 new contracts sold through VARs being added to our existing client bases of $53.7 million and the remaining increase was due to upsell to our existing customers of $14.5 million.

Other

Revenue in other region, which includes Middle East and Europe, increased by $11.5 million or 26.3% for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to one new contract sold through a VAR being added to our existing client bases of $4.3 million and the remaining increase was due to upsell to our existing customers of $7.1 million.

Cost of Revenue and Gross Margin

(Dollars in thousands)	Year Ended December 31, 2022	2021	Change	% Change
Cost of revenue	$ 93,890	$ 64,834	$ 29,056	44.8%
Gross margin	69.6%	70.2%	(0.6)%	

Cost of revenue increased by $29.1 million, or 44.8%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to 16 new contracts that were added. We had an increase in cost of revenue due to implementation costs, application & content support costs and operations and support costs.

Gross margin decreased to 69.6% for the year ended December 31, 2022 compared to 70.2% for the year ended December 31, 2021, primarily due to the higher dedicated support needs & related costs being higher in the first year for newly added contracts.

Costs and Expenses

Selling, General and Administrative Expenses

	Year Ended December 31,			
(Dollars in thousands)	**2022**	**2021**	**Change**	**% Change**
Selling, general and administrative expenses	$ 105,966	$ 74,434	$ 31,532	42.4%
Percentage of revenue	34.3%	34.2%	0.1%	

Selling, general and administrative expenses increased by $31.5 million, or 42.4%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to new market development expense costs and proof of concept development costs linked to larger pipeline. The selling, general and administrative expenses as a percentage of revenue decreased by 100 basis points though, in line with the expected trends. With economies of scale kicking in. The selling, general and administrative expenses as a percentage of revenue is expected to decrease marginally over the next few quarters.

Research and Development Expenses

	Year Ended December 31,			
(Dollars in thousands)	**2022**	**2021**	**Change**	**% Change**
Research and development expenses	$ 97,436	$ 70,913	$ 26,523	37.4%
Percentage of revenue	31.5%	32.5%	(1.0)%	

R&D expenses increased by $26.5 million, or 37.4%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to activities related to new AI digital asset development, existing AI digital asset maintenance including monitoring, machine learning/AI model improvements, enhancement, data validation & testing and quality assurance activities. The R&D expenses as a percentage of revenue decreased by 100 basis points though, in line with the expected trends. With $30.0 million in annual expense, data purchases form a significant portion of our R&D outlay in any given year. This portion of the R&D expense however is expected to stay constant for the foreseeable future, and not scale in tandem with the revenue. Consecutively, while the total R&D expense outlay in dollars would continue to increase, R&D expenses as a percentage of revenue should continue to decrease and stabilize at the 30% benchmark over the next few years.

Other Income and Expenses

Interest Expense

	Year Ended December 31,			
(Dollars in thousands)	**2022**	**2021**	**Change**	**% Change**
Interest expense	$ 6,614	$ 5,047	$ 1,567	31.0%
Percentage of revenue	2.1%	2.3%	(0.2)%	

Interest expense increased by $1.6 million, or 31.0%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to net principal amount increase of $5.2 million between the two periods.

Change in Fair Value of Warrant Liability

(Dollars in thousands)	Year Ended December 31, 2022	2021	Change	% Change
Change in fair value of warrant liability	$ 248	$ (83)	$ 331	NM
Percentage of revenue	0.1%	NM	0.1%	

The change in fair value of warrant liability increased by $0.3 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. In connection with the 2020 Term Loans and the 2021 Term Loans, we issued the lenders warrants to purchase our stock, which may be exercisable for common or preferred stock in accordance with the terms of the warrants. The warrants were carried as a liability at its fair value because there are certain put rights that may obligate us to repurchase the warrants in the future, based on events that are outside of our control.

Other Expense

(Dollars in thousands)	Year Ended December 31, 2022	2021	Change	% Change
Other expense	$ 21	$ 3	$ 18	NM
Percentage of revenue	NM	NM	NM	

Other expense increased by less than $0.1 million for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to foreign exchange loss.

Income Tax Expense

(Dollars in thousands)	Year Ended December 31, 2022	2021	Change	% Change
Income tax benefit (expense)	$ 5,975	$ (32)	$ 6,007	NM
Percentage of revenue	1.9%	NM	1.9%	

Income tax benefit for the year ended December 31, 2022 was $6.0 million whereas income tax expense for the year ended December 31, 2021 was less than $0.1 million. Change between the periods was primarily due to net operating loss carryforward and credits from foreign derived intangible income reductions during the year ended December 31, 2022.

Liquidity and Capital Resources

Our liquidity requirements arise from our working capital needs, our obligations to make scheduled payments of principal and interest on our indebtedness and our need to fund capital expenditures to support our current operations and to facilitate growth and expansion, including future acquisitions. We have financed our operations and expansion with a combination of debt and equity. In 2023, the Company did not finance its operation in equity.

On December 31, 2023, we had total shareholders' deficit of $21.2 million, net of an accumulated deficit of $57.6 million. Our primary sources of liquidity consist of unrestricted cash totaling $4.8 million as of December 31, 2023. As on December 31, 2023, we have issued convertible notes with an aggregate principal amount of $17.4 million. For more information, see "*— Liquidity and Capital Resources — Convertible notes*". On January 10, 2023, the Company drew down $5.0 million under 2021 Term Loans. Additionally, we entered into a Loan and Security Agreement with WTI Fund X, Inc., pursuant to which WTI Fund X, Inc. made available to us a term loan facility in an aggregate principal amount of $10 million. On October 31, 2023, we drew down the full principal amount of $10 million. For more information, see "*— Liquidity and Capital Resources — Credit Facilities*". We believe these additional sources of liquidity will be sufficient to provide working capital, make principal and interest payments to support operations and facilitate growth and expansion for the next twelve months.

Our ability to pay dividends on our common stock is limited by restrictions under the terms of the agreements governing our indebtedness. Subject to the full terms and conditions under the agreements governing our indebtedness, we may be permitted to make dividends and distributions under such agreements if there is no event of default.

Our future capital requirements will depend on many factors, including our global growth rates, our ability to expand our operational footprints in the United States, our ability to grow our platform through acquisitions and our decisions around future investments required in R&D. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

The company maintains restricted cash balance, and this reserve will not be used in the ordinary course of business. During the year ended December 31, 2023, the restricted cash for the company amounted to $2 million.

Purchase Commitments

We entered into a long-term software licensing contract with a major customer that commenced in 2018 and is set to expire in June 2024, subject to an additional 5-year renewal. The contract has an annual value of $50.3 million. As part of the agreement, we install our software licenses on the customer's servers, and in exchange, the customer pays an annual fee for access to the software license and related maintenance services. Additionally, we have a separate contract with the customer for the purchase of the customer's end-user data. This data is essential for our development and utilization of its next-generation AI platform. The annual price for this data acquisition amounts to approximately $30.0 million.

Credit Facilities

In December 2020, we entered into a Loan and Security Agreement (the "2020 Term Loan Agreement") with Venture Lending & Leasing IX, Inc. (the "2020 Lender"), pursuant to which the 2020 Lender made available to us a term loan facility in an aggregate principal amount of $10.0 million (the "2020 Term Loans"). The 2020 Term Loans were available in two tranches consisting of $8.0 million and $2.0 million respectively. We drew down the first tranche on December 30, 2020, and drew the remaining tranche on July 30, 2021 (together, the "2020 Loans"). The 2020 Loans bear interest at a per annum rate equal to 11.50% and are secured by substantially all of our assets, subject to customary carveouts. Payments of principal and interest are due monthly over the course of thirty total installment payments. We may prepay all but not less than all of the 2020 Loans, subject to payment of a premium equal to the amount of interest that would have been payable had the loans remained outstanding through maturity (the "2020 Make Whole"). The 2020 Loan Agreement contains certain customary covenants, including, but not limited to, those relating to additional indebtedness, liens, asset divestitures, and affiliate transactions. It is an event of default under the 2020 Loan Agreement if, among other things, we are in default (beyond any applicable grace period) under any agreement involving the borrowing of money or the purchase of property in an amount in excess of $500,000.

In connection with the 2020 Loans, we issued the 2020 Lender warrants to purchase an aggregate of 433,597 common shares (the "2020 Warrants"). The 2020 Warrants have an exercise price of $6.94 per share and are exercisable through July 31, 2036. In the event that we participate in a preferred stock financing round, the warrant will also become exercisable for shares of preferred stock at an exercise price equal to the lowest price per share of any preferred stock financing round. Upon a Liquidity Event (as defined in the 2020 Term Loan Agreement), the 2020 Lender may choose to exchange the 2020 Warrants for a cash payment of $3,000,000.

In October 2021, we entered into a Loan and Security Agreement (the "2021 Term Loan Agreement," together with the 2020 Term Loan Agreement, the "Term Loan Agreements") with the 2020 Lender and WTI Fund X, Inc. (collectively, the "2021 Lenders"), pursuant to which the 2021 Lenders made available to us a term loan facility in an aggregate principal amount of $20.0 million (the "2021 Term Loans"). The 2021 Term Loans were available in four tranches of $5.0 million each (collectively, the "2021 Loans"). We drew down an initial principal amount of $5.0 million on October 21, 2021. We drew down an additional $5.0 million on April 27, 2022, $5.0 million on August 30, 2022 and an additional $5.0 million on January 2023. The 2021 Loans bear interest at a per annum rate equal to 11.50% and are secured by substantially all of our assets, subject to customary carveouts. Payments of principal and interest are due monthly over the course of thirty total installment payments. We may prepay all but not less than all of the 2021 Loans, subject to payment of a premium equal to the amount of interest that would have been payable had the loans remained outstanding through maturity. The agreements contain certain customary covenants, including, but not limited to, those relating to additional indebtedness, liens, asset divestitures, and affiliate transactions. It is an event of default under the 2021 Loan Agreement if, among other things, we are in default (beyond any applicable grace period) under any agreement involving the borrowing of money or the purchase of property in an amount in excess of $500,000.

In connection with the 2021 Loans, the Company issued WTI Fund X, LLC and Venture Lending & Leasing IX, LLC warrants to purchase an aggregate of 440,021 common shares (the "2021 Warrants"). The 2021 Warrants have an exercise price of $6.94 per share and are exercisable through July 31, 2037. In the event that the Company participates in a preferred stock financing round, the warrant will also become exercisable for shares of preferred stock at an exercise price equal to the lowest price per share of any preferred stock financing round. Upon a Liquidity Event (as defined in the 2021 Term Loan Agreement), the 2021 Lenders may choose to exchange the 2021 Warrants for a cash payment in an amount equal to the sum of (i) $1,500,000 and (ii) the product of (x) $1,500,000 and (y) a fraction, the numerator of which is the aggregate, original principal amount of the Growth Capital Loans (as defined in the 2020 Term Loan Agreement) advanced to the Company and the denominator of which is $10,000,000.

In October 2023, we entered into a Loan and Security Agreement (the "2023 Term Loan Agreement") with WTI Fund X, Inc. (the "2023 Lender"), pursuant to which the 2023 Lender made available to us a term loan facility in an aggregate principal amount of $10.0 million (the "2023 Term Loans"). We drew down $10.0 million on October 31, 2023 (the "2023 Loans"). The 2023 Loans bear interest at a per annum rate equal to the greater of (i) the WSJ prime rate plus 4.50% and (ii) 13.00% and are secured by substantially all of our assets, subject to customary carveouts. Payments of principal and interest are due monthly over the course of thirty total installment payments following an initial interest only period of 6 months. The initial interest only period may be extended by six months if either (i) we have successfully completed a de-SPAC transaction with net proceeds to us of at least $100,000,000 or (ii) we have achieved our 2023 financial plan. We may prepay all but not less than all of the 2023 Loans, subject to payment of a premium equal to the amount of interest that would have been payable had the loans remained outstanding through maturity (the "2023 Make Whole"). However, if the 2023 Loans are prepaid on or before November 30, 2023, only 40% of the undiscounted 2023 Make Whole is required to be paid and if the 2023 Loans are prepaid between December 1, 2023 and June 30, 2024, only 50% of the undiscounted 2023 Make Whole is required to be paid. The 2023 Loan Agreement contains certain customary covenants, including, but not limited to, those relating to additional indebtedness, liens, asset divestitures, and affiliate transactions. It is an event of default under the 2023 Loan Agreement if, among other things, we are in default (beyond any applicable grace period) under any agreement involving the borrowing of money or the purchase of property in an amount in excess of $500,000.

In connection with the 2023 Loans, the Company issued WTI Fund X, LLC warrants to purchase an aggregate of 220,681 common shares (the "2023 Warrants"). The 2023 Warrants have an exercise price of $10.14 per share and are exercisable through October 31, 2038. In the event that the Company participates in a preferred stock financing round, the warrant will also become exercisable for shares of preferred stock at an exercise price equal to the lowest price per share of any preferred stock financing round. Upon a Liquidity Event (as defined in the 2023 Term Loan Agreement), the 2023 Lender may choose to exchange the 2023 Warrants for a cash payment of $3,000,000.

Convertible Notes

On April 27, 2023, we entered into the convertible note purchase agreement, pursuant to which, among other things, we had the right to issue and sell to the convertible note investors convertible notes due in October 2025 with aggregate principal amount of up to $50,000,000, of which we issued and sold convertible notes with aggregate principal amount of $17,400,000, including affiliates of our Sponsor. Each convertible note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each convertible note automatically converted into Legacy iLearningEngines shares thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the convertible note balance, divided by (ii) $10.00.

Cash Flows

The following table summarizes our cash flows for the period indicated:

	Year Ended December 30,		
(Dollars in thousands)	**2023**	**2022**	**2021**
Cash used in operating activities	$ (16,166)	$ (8,943)	$ (8,234)
Cash (used in) provided by investing activities	(24)	161	(18)
Cash provided by financing activities	22,097	5,231	6,729

Operating Activities

Our largest source of operating cash is payments received from our customers. Our primary uses of cash from operating activities are R&D and sales and marketing expenses. We have historically generated negative cash flows and have supplemented working capital requirements primarily through net proceeds from debt.

Net cash used in operating activities for the year ended December 31, 2023 of $16.2 million was primarily related to net working capital cash outflows of $32.0 million and net loss of $4.4 million adjusted for non-cash adjustments of $20.2 million. The main driver of the changes in operating assets and liabilities was the increase accounts receivables. These amounts were partially offset by change in contract asset.

Net cash used in operating activities for the year ended December 31, 2022 of $8.9 million was primarily related to our net income of $11.5 million adjusted for non-cash adjustments of $2.1 million and net cash outflows of $18.4 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of amortization of debt. The main drivers of the changes in operating assets and liabilities were the accounts receivables and the receivables from Technology Partner. These amounts were partially offset by change in contract asset.

Net cash used in operating activities for the year ended December 31, 2021 of $8.2 million was primarily related to our net income of $2.5 million adjusted for non-cash adjustments of $4.0 million and net cash outflows of $14.7 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of amortization of debt issuance cost. The main drivers of the changes in operating assets and liabilities were the accounts receivables and the receivables from Technology Partner. These amounts were partially offset by change in contract asset.

Investing Activities

For the year ended December 31, 2023 the cash used in investing activities was $0.02 million approximately was primarily related to purchase of property and equipment.

Net cash provided by investing activities for the year ended December 31, 2022 of $0.2 million was primarily related to cash acquired from business acquisition and cash used in for the year ended December 31, 2021 of $0.02 million was primarily related to purchases of property and equipment.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2023 of $22.1 million was primarily related to the $15.0 million in venture debt that we took from Western Technology Investments offset by the debt taken in previous tranches that we paid down and proceeds from the convertible notes of $17.4 million.

Net cash provided by financing activities for the year ended December 31, 2022 of $5.2 million was primarily related to the $10 million in venture debt that we took from Western Technology Investments in three different tranches offset by the debt taken in previous tranches that we paid down.

Net cash provided by financing activities for the year ended December 31, 2021 of $6.7 million was primarily related to the $7 million in venture debt that we took from Western Technology Investments in two different tranches offset by the debt taken in previous tranches that we paid down.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is principally the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

We had unrestricted and restricted cash of $6.8 million as of December 31, 2023, which consisted entirely of bank deposits. Of the $6.8 million in cash, $2.0 million are in restricted cash. The unrestricted cash are held for working capital purposes. 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. As of December 31, 2023, we had $21.2 million outstanding under the Term Loan Agreements. A hypothetical 10% change in interest rates during the period presented would not have had a material impact on our consolidated financial statements. The Company did not have any investment as of December 31, 2023.

We had cash of $0.9 million as of December 31, 2022, which consisted entirely of bank deposits. As of December 31, 2022, we had $17.9 million outstanding under the Term Loan Agreements. A hypothetical 10% change in interest rates during the period presented would not have had a material impact on our consolidated financial statements.

Foreign Currency Exchange Risk

We have operations internationally that are denominated in foreign currencies, including India rupee, Emirati dirham, and Australia dollar, which subject us to foreign currency exchange risk. Therefore, we are exposed to foreign exchange rate fluctuations as we convert the financial statements of our foreign subsidiary into U.S. dollars. Our subsidiary remeasures monetary assets and liabilities at period-end exchange rates, while non-monetary items are remeasured at historical rates. Revenue and expense accounts are remeasured at the average exchange rate in effect during the period. If there is a change in foreign currency exchange rates, the conversion of our foreign subsidiary's financial statements into U.S. dollars would result in a realized gain or loss which is recorded in our consolidated statements of operations. We do not currently engage in any hedging activity to reduce our potential exposure to currency fluctuations, although we may choose to do so in the future. A hypothetical 10% change in foreign exchange rates during the period presented would not have had a material impact on our consolidated financial statements.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations, other than its impact on the general economy. Nonetheless, if our costs were to become subject to inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Critical Accounting Policies and Estimates

Policies determined to be critical are those policies that have the most significant impact on our financial statements and require us to use a greater degree of judgment in forming assumptions or estimates. Judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates.

Revenue Recognition

In applying the ASC 606 revenue recognition model, the Company's determination of whether products and services are considered distinct performance obligations that should be accounted for separately versus together, may require significant judgment. The Company's contracts with customers generally include two performance obligations, (i) implementation, and (ii) combined software license and maintenance.

In determining the standalone selling price ("SSP") of implementation services, the Company estimates the cost of providing the services and adds a reasonable margin. The estimates are expected to change over time as the Company accumulates additional cost data for completed implementations.

In determining the SSP of combined software license and maintenance performance obligation, the Company uses the residual approach it sells an AI platform and related maintenance services to different customers at a highly variable range of amounts. When the Company sells the AI platform and related maintenance services to customers, it presents the price of the license and maintenance to the customer by quoting both a price a per user per month and per expert per month. There are a number of factors that affect the per user and per expert prices charged to different customers including, but not limited to, the customer's bespoke products which the AI platform is replacing, the complexity of the use case for which the AI platform is meant to solve, the number of customer systems into which the platform is integrated, the number of dedicated support personnel required to provide maintenance services, and the outcome of contract negotiations with the customer.

Convertible Notes

The Company's convertible notes are accounted under the fair value option election, in which the convertible notes are reported at fair value as of the end of each reporting period, with changes recognized in the statements of operations.

The fair value of the convertible notes is estimated using a scenario-based approach which considers various events, the conversion feature and related payoffs within each scenario. Unobservable (Level 3) inputs and assumptions used in valuation methodologies include management's probability assumptions for various conversion scenarios, including estimates of the time until the respective conversion scenarios may occur, the risk-free interest rate and a discount spread. The risk-free rate is based on the United States Treasury benchmark yield curves.

Warrant Liability

The fair value of the warrant liability is estimated using an option pricing model. Unobservable (Level 3) inputs and assumptions used in valuation methodologies include management's probability assumptions associated with various settlement scenarios, selected volatility and discount rates, selected guideline public companies, and the risk-free interest rate. The risk-free rate is based on the United States Treasury benchmark yield curves.

Recent Accounting Pronouncements

As an emerging growth company ("EGC"), the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. We have elected to use this extended transition period under the JOBS Act until such time we are no longer considered to be an EGC.

See Note 2 in the notes to the audited consolidated financial statements included elsewhere in this Current Report on Form 8-K for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. Arrowroot previously elected to avail itself of the extended transition period, and following the consummation of the business combination, we will be an emerging growth company and will take advantage of the benefits of the extended transition period that the emerging growth company status permits. During the extended transition period, it may be difficult or impossible to compare our financial results with the financial results of another public company that complies with public company effective dates for accounting standard updates because of the potential differences in accounting standards used.

We will remain an emerging growth company under the JOBS Act until the earlier of: (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of Arrowroot's initial public offering (i.e., December 31, 2026), (b) in which we have total annual gross revenue of at least $1.235 billion, or (c) in which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our common equity that is held by non-affiliates exceeds $700.0 million as of the end of the prior fiscal year's second fiscal quarter; and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

iLearningEngines, Inc. and Subsidiaries

Consolidated Financial Statements
As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022, and 2021

iLearningEngines, Inc. and Subsidiaries
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
iLearningEngines, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of iLearningEngines, Inc. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in shareholders' deficit and cash flows for each of the three years ended December 31, 2023, 2022 and 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 financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023, 2022 and 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 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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2021.

Philadelphia, PA
April 22, 2024

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	As of December 31,	
	2023	**2022**
Assets		
Current assets:		
Cash	$ 4,763	$ 856
Restricted cash	2,000	-
Accounts receivable, net of provision for credit loss of $336 and $0, respectively	73,498	34,698
Contract asset	509	9,408
Prepaid expenses	62	88
Total current assets	80,832	45,050
Receivable from Technology Partner	13,602	10,217
Receivable from related party	465	595
Other assets	729	885
Deferred tax assets, net	5,703	6,798
Deferred transaction costs	3,990	-
Total assets	$ 105,321	$ 63,545
Liabilities and shareholders' deficit		
Current liabilities:		
Trade accounts payable	$ 3,753	$ 787
Accrued expenses	2,982	1,284
Current portion of long-term debt, net	10,517	8,138
Contract liability	2,765	2,106
Payroll taxes payable	3,037	2,789
Other current liabilities	116	237
Total current liabilities	23,170	15,341
Convertible notes	31,547	-
Warrant liability	11,870	7,645
Long-term debt, net	10,679	9,713
Subordinated payable to Technology Partner	49,163	47,495
Other non-current liabilities	74	126
Total liabilities	126,503	80,320
Shareholders' deficit:		
Common Shares $0.0001 par value: 200,000,000 shares authorized: 95,782,605 shares issued and outstanding at December 31, 2023 and December 31, 2022	10	10
Additional paid-in capital	36,384	36,384
Accumulated deficit	(57,576)	(53,169)
Total shareholders' deficit	(21,182)	(16,775)
Total liabilities and shareholders' deficit	$ 105,321	$ 63,545

The accompanying notes are an integral part of these consolidated financial statements.

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2023	**2022**	**2021**
Revenue	$ 420,582	$ 309,170	$ 217,867
Cost of revenue	132,154	93,890	64,834
Gross profit	288,428	215,280	153,033
Operating expenses:			
Selling, general, and administrative expenses	140,897	105,966	74,434
Research and development expenses	128,544	97,436	70,913
Total operating expenses	269,441	203,402	145,347
Operating income	18,987	11,878	7,686
Other (expense) income:			
Interest expense	(6,274)	(6,614)	(5,047)
Change in fair value of warrant liability	(771)	248	(83)
Change in fair value of convertible notes	(14,147)	-	-
Other expense	(45)	(21)	(3)
Total other expense, net	(21,237)	(6,387)	(5,133)
Net (loss) income before income tax (expense) benefit	(2,250)	5,491	2,553
Income tax (expense) benefit	(2,157)	5,975	(32)
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Net (loss) income per share – basic	$ (0.05)	$ 0.08	$ 0.02
Net (loss) income per share – diluted	$ (0.05)	$ 0.08	$ 0.02
Weighted average common shares outstanding – basic	95,782,605	95,728,760	94,697,428
Weighted average common shares outstanding – diluted	95,782,605	95,728,760	98,042,878

The accompanying notes are an integral part of these consolidated financial statements.

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(In thousands, except share amounts)

	Common Stock		Additional Paid-In	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Deficit
Balances at January 1, 2021	94,483,835	$ 9	$ 34,928	$ (67,156)	$ (32,219)
Capital contribution from related party	—	—	574	—	574
Issuance of shares for cash	1,082,800	1	(1)	—	—
Net income	—	—	—	2,521	2,521
Balances at December 31, 2021	95,566,635	10	35,501	(64,635)	(29,124)
Issuance of shares from acquisition	215,970	—	883	—	883
Net income	—	—	—	11,466	11,466
Balances at December 31, 2022	95,782,605	10	36,384	(53,169)	(16,775)
Net loss	—	—	—	(4,407)	(4,407)
Balances at December 31, 2023	95,782,605	$ 10	$ 36,384	$ (57,576)	$ (21,182)

The accompanying notes are an integral part of these consolidated financial statements.

ILEARNINGENGINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years ended December 31,		
	2023	**2022**	**2021**
Cash flows used in operating activities:			
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Adjustments to reconcile net income to net cash flows used in operating activities:			
Depreciation and amortization	128	77	—
Share based compensation expense	—	—	39
Amortization of debt discount and debt issuance costs	2,103	3,248	2,186
Provision for deferred taxes	1,095	(6,798)	—
Accretion of interest on subordinated payable to Technology Partner	1,668	1,667	1,668
Change in fair value of warrant liability	771	(248)	83
Change in fair value of convertible debts	14,147	—	—
Provision for credit losses	336	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(39,136)	(18,740)	(5,395)
Receivable from related party	130	20	(350)
Contract asset	8,899	7,645	2,115
Advance to customer	—	362	(362)
Prepaid expenses and other current assets	26	(31)	(56)
Receivable from Technology Partner	(3,385)	(9,490)	(727)
Trade accounts payable	1,906	163	536
Accrued expenses and other current liabilities	(47)	702	(718)
Contract liability	659	613	613
Subordinated payable to Technology Partner	—	—	(10,503)
Payroll taxes payable	248	401	116
Deferred transaction costs	(1,307)	—	—
Net cash flows used in operating activities	(16,166)	(8,943)	(8,234)
Cash flows (used in) provided by investing activities:			
Purchase of property and equipment	(24)	—	(18)
Cash acquired from business acquisition	—	161	—
Net cash flows (used in) provided by investing activities:	(24)	161	(18)
Cash flows provided by financing activities:			
Proceeds from term loans	15,000	10,000	7,000
Repayment of term loans	(10,303)	(4,766)	(272)
Proceeds from convertible notes	17,400	—	—
Other financing activities	—	(3)	1
Net cash flows provided by financing activities:	22,097	5,231	6,729
Net change in cash	5,907	(3,551)	(1,523)
Cash and restricted cash, beginning of year	856	4,407	5,930
Cash and restricted cash, end of year	$ 6,763	$ 856	$ 4,407
Supplemental disclosure of cash flows information:			
Cash paid during the year for interest	$ 2,510	$ 3,557	$ 922
Supplemental disclosure of non-cash investing and financing information:			
Issuance of warrants to purchase common shares	$ 3,455	$ 1,027	$ 3,193
Issuance of equity for acquisition of In2vate, LLC	$ —	$ 883	$ —
Accrued transaction costs	$ 2,683	$ —	$ —
Capital contribution from cancellation of convertible notes	$ —	$ —	$ 574
Reconciliation of cash and restricted cash			
Cash	$ 4,763	$ 856	$ 4,407
Restricted cash	$ 2,000	$ —	$ —
Total cash and restricted cash at end of year	$ 6,763	$ 856	$ 4,407

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of the Business and Basis of Presentation

iLearningEngines, Inc. (together with its subsidiaries, the "Company," or "ILE"), a company headquartered in Maryland, United States of America, was incorporated in Delaware on November 17, 2010. The Company offers an Artificial Intelligence ("AI") platform focused on automation of learning and enabling organizations to drive mission critical outcomes at scale. The AI Learning and Engagement platform has cloud-based, mobile, offline and multimedia capabilities that can be used to deliver highly personalized learning and engagement modules. The Company has developed an in-process learning platform that enables organizations to deliver learning in the flow of day-to-day activities.

During the year ended December 31, 2021, the Company's management incorporated iLearningEngines FZ-LLZ ("ILE Dubai"), a free zone company incorporated in the Dubai Development Authority Zone. The objective of this entity is to develop ILE's customer based in the Middle East. ILE Dubai operates under the direction and supervision of ILE. The Company has determined that it has a variable interest in ILE Dubai and is the primary beneficiary, therefore the Company has consolidated ILE Dubai as a variable interest entity ("VIE").

During the year ended December 31, 2021, the Company acquired a majority ownership in iLearningEngines India Private Limited, a private limited company formed under the laws of India ("ILE India"). The objective of this acquisition was for ILE India to develop employees and support operations in India, with hiring of talent and employees through ILE India for utilization within the Company. ILE India operates under the direction and supervision of ILE. The Company has determined that it has a variable interest in ILE India and is the primary beneficiary, therefore the Company has consolidated ILE India as a VIE.

During the year ended December 31, 2022, the Company registered iLearningEngines Australia as a wholly-owned subsidiary. The objective of this subsidiary is to develop new sales and channel partners in Australia, New Zealand, and Southeast Asia.

During the year ended December 31, 2022, the Company acquired all outstanding equity of In2vate, LLC ("In2vate"), a risk management and learning platform provider.

Proposed Business Combination

On April 27, 2023, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with Arrowroot Acquisition Corp. (NASDAQ: ARRW) ("Arrowroot"), a special-purpose acquisition company ("SPAC"), and ARAC Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Arrowroot ("Merger Sub"). Upon closing of the Merger Agreement and upon approval by the shareholders of Arrowroot, the combined company will be renamed to "iLearningEngines, Inc." and will be listed on the NASDAQ under the new ticker symbol "AILE." Arrowroot has agreed to acquire all of the outstanding equity interests of the Company. Completion of the transaction is subject to certain customary regulatory consents and approval by stockholders of Arrowroot and the Company.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC"). The consolidated financial statements include the accounts of iLearningEngines, Inc. and its subsidiaries.

Reclassifications

Certain reclassifications have been made to conform the prior period presentation.

Risks and Uncertainties

Impact of Conflicts in Ukraine and Middle East

Following Russia's military invasion of Ukraine in February 2022, NATO deployed additional military forces to nearby countries in Eastern Europe, and the United States, European Union, and other nations announced various sanctions against Russia. The invasion of Ukraine and the retaliatory measures that have been taken, and could be taken in the future, by the United States, NATO, and other countries have created potential global security concerns and could have a lasting impact on regional and global economies, which could in turn adversely affect the Company.

In addition, although our business has experienced limited disruption as a result of the Russia-Ukraine conflict, continued escalation of this conflict as well as the Israeli-Hamas conflict and Houthi movement in the Red Sea may negatively impact the global economy and our future operating results and financial condition.

The conflicts in Ukraine and the Middle East have not presently resulted in a material impact on the Company's financial position, operating results, or future forecasts. The Company continues to monitor these conflicts.

2. Summary of Significant Accounting Policies

Consolidation Policy

The accompanying consolidated financial statements include the accounts of the Company and all wholly-owned subsidiaries, ILE India and ILE Dubai. Consolidation of an entity is also assessed pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*, which requires a variable interest holder to consolidate a VIE if that party will absorb a majority of the expected losses of the VIE, receive a majority of the residual returns of the VIE, or both, and assesses whether an enterprise is the primary beneficiary of a VIE. The Company has determined that it has a variable interest in ILE India and ILE Dubai, and is considered the primary beneficiary for each entity, therefore the Company has fully consolidated ILE India and ILE Dubai under ASC 810. All intercompany transactions and accounts have been eliminated.

Business Combinations

In accordance with ASC 805, *Business Combinations*, the Company assesses whether a business acquisition meets the definition of an asset acquisition or a business combination. Business combinations are accounted for using the acquisition method. Under the acquisition method, the acquiring entity in a business combination recognizes 100% of the assets acquired and liabilities assumed, at their acquisition-date fair values. The Company utilizes valuation techniques appropriate for the assets and liabilities being measured in determining these fair values. The excess of the purchase price over the fair value of the net assets of the acquired business is goodwill.

Cash

Cash consists of funds held in checking accounts maintained at financial institutions. The Company classifies all highly liquid instruments with an original maturity of three months or less as cash equivalents. There are no cash equivalents as of December 31, 2023 and 2022.

Restricted Cash

Restricted cash consists of cash earmarked for a specific purpose and is not available for immediate and general use by the Company. The Company's restricted cash reserve is prohibited from being spent in the ordinary course of business through a contractual arrangement with the Company's lenders. As of December 31, 2023, the Company had $2.0 million in restricted cash.

Concentration of Credit Risk and Major Sales Channels

Financial investments that potentially subject the Company to credit risk consist of cash. The Company places its cash with certain U.S. financial institutions. At various times, the Company's cash deposits with any one financial institution may exceed the amount insured by the Federal Deposit Insurance Corporation (the "FDIC"). The Company has not experienced any losses of such amounts and management believes it is not exposed to any significant credit risk on its cash.

During the year ended December 31, 2023, there were four customers, representing 19.3%, 16.0%, 11.9%, and 11.7%, respectively, who individually accounted for 10% or more of the Company's revenue. During the year ended December 31, 2022, there were five customers, representing 17.4%, 17.0%, 14.9%, 14.3% and 10.3%, respectively, who individually accounted for 10% or more of the Company's revenue. During the year ended December 31, 2021, there were four customers, representing 22.8%, 20.2%, 13.1% and 11.0%, respectively, who individually accounted for 10% or more of the Company's revenue.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience, risk of loss, general economic conditions and trends and the assessment of the probable future outcome. Subjective and significant estimates include, but are not limited to, allowance for credit losses, and valuation of warrants. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of changes, if any, are reflected in the consolidated statements of operations in the period that they are determined.

Segment Information

The Company determined that it has a single operating segment after considering the Company's organizational structure and the information regularly reviewed and evaluated by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company has determined that its CODM is its Chief Executive Officer. The CODM reviews the Company's financial information on a basis for purposes of evaluating financial performance and allocating resources. On the basis of these factors, the Company determined that it operates and manages its business as one operating segment, that develops, markets, and provides consumer learning automation solutions; and accordingly has one reportable segment for financial reporting purposes.

Foreign Currency Translation and Transactions

The Company's functional currency is the U.S. dollar. Assets and liabilities of foreign subsidiaries that operate primarily in a currency other than the U.S. dollar are remeasured and translated into U.S. dollars using the current exchange rate in effect at the balance sheet date, except for non-monetary assets and liabilities that are translated at historical exchange rates. Transactions denominated in currencies other than the Company's functional currency are measured at the functional currency's exchange rate in effect at the time of transaction. At the end of each reporting period, monetary assets and liabilities are remeasured to the functional currency using exchange rates in effect at the balance sheet date. Foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income and are not adjusted for income taxes when they relate to permanent investments in foreign subsidiaries. Gains and losses from foreign currency transactions are included in other income in the consolidated statements of operations. Foreign currency translation adjustments were immaterial for the years ended December 31, 2023, 2022, and 2021.

Accounts Receivable and Provision for Credit Losses

Accounts receivable are uncollateralized, noninterest bearing customer obligations due under normal trade terms and generally requiring payment within 30 to 90 days of the invoice date. Accounts receivable are stated at the amount billed to the customer, net of provision for credit losses in accordance with ASC 326, *Financial Instruments-Credit Losses*. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice, or, if unspecified, are applied to the earliest unpaid invoice.

The estimation of the provision for credit loss is based on an analysis of historical loss experience, current receivables aging, any known or expected changes to the customers' ability to fulfill their payment obligations, and management's assessment of current conditions and estimated future conditions. The general CECL reserve is measured on a collective (pool) basis when similar risk characteristics exist for multiple financial instruments. The Company notes its account receivables do not similar risks, and the Company measures the CECL reserve on an individual customer account basis.

At the end of each reporting period, the provision for credit losses is reviewed relative to management's expected credit loss model and is adjusted as necessary. The expense associated with the provision for expected credit losses is recognized in selling, general, and administrative expenses in the consolidated statements of operations. Accounts receivable write-offs are recorded when management believes it is probable a receivable will not be recovered. The provision for credit losses as of December 31, 2023 was $0.3 million.

Costs to Obtain and Fulfill Contracts

Sales commissions tied to new customer contracts earned by the Company's Technology Partner, discussed in Note 5, are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for renewal of a contract are considered commensurate with the commissions paid for the acquisition of the initial contract and are earned only as the revenue to which they relate is recognized. The Company has elected the practical expedient of expensing its costs to obtain contracts as incurred because the amortization period over which they would otherwise be amortized is one year or less.

The Company does not have any capitalizable costs to fulfill contracts. Internal and external labor costs related to providing implementation services are expensed as incurred.

Debt Issuance Costs and Deferred Financing Costs

The Company borrows from various lenders to finance its growth and operations. Costs incurred in connection with debt financings, such as origination fees, original issue discount, investment banking fees and legal fees, are classified as debt issuance costs and are presented as a deduction from the related borrowing. Debt issuance costs are amortized over the expected life of the related financing agreements as a component of interest expense under the effective interest method. Debt issuance costs are expensed immediately upon early extinguishment of the debt. In a debt modification, the initial issuance costs and any additional fees incurred as a result of the modification are amortized over the term of the modified agreement.

The Company accounts for certain debt issuance costs relating to the undrawn portion of term loan commitments as assets, which are included with deferred financing costs in the consolidated balance sheets and amortized into interest expense on a straight-line basis over the loan commitment period. Once the commitment is drawn, the pro-rata portion of the unamortized asset is reclassified as a deduction from the related borrowing.

Warrants Issued in Connection with Indebtedness

Warrants issued in connection with the issuance of indebtedness that are accounted for as liabilities are initially recorded at fair value. Proceeds are first allocated to the warrants in an amount equal to the fair value of the warrants. The residual proceeds remaining after allocation to the warrant are allocated to debt as a debt discount. The debt discount is accreted over the term of the indebtedness as interest expense, using the effective interest method. The warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a component of change in fair value of warrant liability in the consolidated statements of operations.

Technology Partner

The Company has a long-term relationship with a Technology Partner. The Technology Partner provides research and development ("R&D"), sales and marketing, and implementation and support services to the Company. In addition, the Technology Partner also purchases, integrates and resells the Company's platform to end customers.

When ILE contracts directly with the end customer, the Technology Partner provides front-end sales and marketing support to identify the end customer, but ILE contracts directly with the end customer to provide Implementation Services and the ILE platform. Separately, the Company contracts with the Technology Partner for the Technology Partner to provide implementation support services on behalf of the Company to the end customer. The Company is primarily responsible for fulfilling the promise to provide the specified goods and services over the contract term to the end customer and has discretion in establishing the price. Therefore, the Company determined the end customer is its customer, and the Technology Partner is acting as the Company's agent.

When the Technology Partner purchases and integrates the ILE platform into the Technology Partner's own software solution provided to the Technology Partner's end customer, the Technology Partner identifies and contracts with the end customer to provide the integrated software solution, implementation services, and support services. In these arrangements, the Technology Partner controls the ILE platform, and the Company considers the Technology Partner to be its end customer for this contractual relationship.

Because the Technology Partner is a customer in some arrangements and a vendor in other arrangements, the Company evaluated the fees it pays the Technology Partner for the various services provided to the Company. The Company determined the services it received from the Technology Partner were distinct and the consideration paid to the Technology Partner was equivalent to an arms-length transaction. As a result, no costs incurred by the Company related to services provided by the Technology Partner have been netted against revenues earned from the Technology Partner.

The sales commissions paid to the Technology Partner are recognized in accordance with ASC 340-40. The implementation fees are presented within cost of revenue, while any fees paid for R&D services are presented in research and development expense and marketing fees are presented in selling, general and administrative expense on the consolidated statements of operations.

If at any time the services fees exceed collections resulting in a net payable to the Technology Partner, subsequent collections will first be applied to the net payable including any accrued interest on the balance. The details of the Master Arrangement are further described Note 5.

Goodwill and Indefinite-Lived Intangible Assets

The Company evaluates goodwill and indefinite-lived intangible assets for impairment annually or more frequently when an event occurs, or circumstances change that indicate the carrying value may not be recoverable. The Company may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying value and if so, the Company performs a quantitative test. The Company compares the carrying value of each reporting unit and indefinite-lived intangible asset to its estimated fair value and if the fair value is determined to be less than the carrying value, the Company recognizes an impairment loss for the difference. Goodwill and indefinite-lived intangible assets are presented under Other Assets in the consolidated balance sheets.

Long-Lived Assets and Finite-Lived Intangible Assets

Long-lived assets and finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable.

For long-lived assets used in operations, including lease assets, impairment losses are only recorded if the asset's carrying amount is not recoverable through its undiscounted, probability-weighted future cash flows. We measure the impairment loss based on the difference between the carrying amount and estimated fair value. Long-lived assets are considered held for sale when certain criteria are met, including when management has committed to a plan to sell the asset, the asset is available for sale in its immediate condition, and the sale is probable within one year of the reporting date.

Finite-lived intangible assets are amortized using the straight-line method over their estimated period of benefit, ranging from five to twelve years. Long-lived assets and finite-lived intangible assets are presented under Other Asset in the consolidated balance sheets.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. In determining fair value, the Company uses various valuation approaches. A fair value hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company.

Unobservable inputs reflect the Company's assumption about the inputs that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs, as follows:

- Level 1 — Valuations based on quoted prices for identical instruments in active markets. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

- Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for either similar instruments in active markets, identical or similar instruments in markets that are not active, or model-derived valuations whose inputs or significant value drivers are observable or can be corroborated by observable market data.

- Level 3 — Valuations based on inputs that are unobservable. These valuations require significant judgment.

The availability of valuation techniques and observable inputs can vary and is affected by a wide variety of factors, including the type of asset or liability, whether the asset or liability is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuations, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the assets or liabilities existed.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

Fair Value Option ("FVO") Election

The Company entered into a Convertible Note Purchase Agreement on April 27, 2023, referred to herein as the "Convertible Notes", which are accounted under the "fair value option election" as discussed below.

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 815, Derivative and Hedging, ("ASC 815"), a financial instrument containing embedded features and /or options may be required to be bifurcated from the financial instrument host and recognized as separate derivative asset or liability, with the bifurcated derivative asset or liability initially measured at estimated fair value as of the transaction issue date and then subsequently remeasured at estimated fair value as of each reporting period balance sheet date.

Alternatively, FASB ASC Topic 825, Financial Instruments, ("ASC 825") provides for the "fair value option" ("FVO") election. In this regard, ASC 825-10-15-4 provides for the FVO election (to the extent not otherwise prohibited by ASC 825-10-15-5) to be afforded to financial instruments, wherein the financial instrument is initially measured at estimated fair value as of the transaction issue date and then subsequently remeasured at estimated fair value as of each reporting period balance sheet date, with changes in the estimated fair value recognized as other income or expense in the statement of operations. The estimated fair value adjustment of the Convertible Notes is presented in a single line item within change in fair value of convertible notes in the accompanying consolidated statement of operations (as provided for by ASC 825-10-50-30(b)). Further, as required by ASC 825-10-45-5, to the extent a portion of the fair value adjustment is attributed to a change in the instrument-specific credit risk, such portion would be recognized as a component of other comprehensive income ("OCI") (for which there have been no such adjustments with respect to the Convertible Notes.) Under the fair value option election described the Company presents the entire change in fair value of the Convertible Notes, including the component related to interest expense, within in a single line item on the consolidated statements of operations which is captioned "Change in fair value of convertible notes".

The fair value of the Convertible Notes as of December 31, 2023 was $31.5 million and is presented within "Convertible notes" on the consolidated balance sheets. Refer to Note 7 for additional detail regarding the Convertible Notes.

Deferred Transaction Costs

The Company incurred direct and incremental transaction costs for the year ended December 31, 2023 related to the contemplated merger with Arrowroot. Transaction costs of $4.0 million were deferred and capitalized to the deferred transaction costs line item on the consolidated balance sheet as of December 31, 2023.

After consummation of the merger, these costs will be recorded to shareholders' deficit as a reduction of additional paid-in capital generated as a result of the merger. If the merger with Arrowroot is subsequently aborted, the Company will review the deferred transaction costs for impairment. As of December 31, 2023, $1.1 million and $1.6 million of unpaid transaction costs are included within the trade accounts payable and accrued expenses line items on the consolidated balance sheet, respectively.

Share-Based Compensation

The Company records compensation costs related to share-based awards in accordance with ASC Topic 718, *Compensation — Stock Compensation* ("ASC 718"), whereby the Company measures compensation cost at the grant date based on the estimated fair value of the award. Compensation cost is recognized on a straight-line basis over the requisite service period of the award, which is generally the vesting period. Forfeitures are accounted for when they occur.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606.

Revenues are recognized when control of services is transferred to the Company's customers, in an amount that reflects the consideration ILE expects to be entitled to in exchange for those services over the term of the agreement, generally when made available to the customers. Revenues are recognized net of sales credits and allowances. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

Revenue is recognized based on the following five step model in accordance with ASC 606:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. The Company's contracts with customers include two performance obligations, (i) implementation, and (ii) combined software license and maintenance. The Company records individual performance obligations separately by allocating the contract's total transaction price to each performance obligation of each distinct good or service in the contract.

Implementation services

All customers require implementation services prior to being able to use the ILE platform. To date ILE has outsourced these services to its Technology Partner who has been trained to provide the implementation services. Refer to Note 5 for further discussion of the Technology Partner. Implementation services generally take 1 – 3 months and consist of the phases the Company follows as part of the customer onboarding process.

The Company is primarily responsible for fulfilling the promise to provide implementation services to a customer and also has discretion in establishing pricing for these services. Accordingly, the Company is identified as the principal in the arrangement.

The implementation services do not involve significant customization or creating new software functionality. Instead, the services mainly focus on configuration and mapping customer data with the required attributes within the software platform to ensure the platform's built-in functionalities can be utilized by the customer. Revenues from implementations are recognized over time as such services are performed using an input method of efforts expended, compared to total estimated efforts to complete the project.

Combined software license and maintenance

The combined software license and maintenance performance obligation relates to the license to the ILE AI platform and related maintenance services (including critical support functions and updates) provided over the license term. The software licenses to the AI platform is not considered distinct from the maintenance services, because the customer cannot derive the intended value from the software without ongoing critical support services and updates that are provided by the maintenance services. ILE recognizes revenue from the combined software license and maintenance performance obligation ratably over the contract term beginning on the date that the software license is delivered to the customer and related maintenance services are made available, as the customer simultaneously receives and consumes the benefits of the combined software license and maintenance performance obligation. Contracts with customers typically include a fixed amount of consideration and are generally cancelable with 90 days to 24 months' notice. ILE typically invoices customers quarterly in advance for ILE's software license and maintenance services upon execution of the initial contract or subsequent renewal.

A contract's transaction price, which is generally a fixed fee in the Company's arrangements, is allocated to each performance obligation and recognized as revenue as the respective performance obligation is satisfied. The Company's process for determining SSP involves significant management judgment since the Company's performance obligations are not sold separately. In determining the SSP of implementation services, the Company estimates the cost of providing the services and adds a reasonable margin. The determination of the added margin considers what a market participant would be willing to pay and is adjusted for differences in products, geographies, customers, and other factors. The Company's cost estimates are primarily based on historical cost data for similar implementation projects. The SSP of the combined software license and maintenance performance obligation is based on the residual approach as the Company sells the ILE AI platform and related maintenance services to different customers at a highly variable range of amounts.

Disaggregation of Revenue

The Company disaggregates revenue into categories that depict the nature, amount, and timing of revenue and cash flows based on differing economic risk profiles for each category. In concluding such disaggregation, the Company evaluated the nature of the products and services, consumer markets, sales terms, and sales channels which have similar characteristics such that the level of disaggregation provides an understanding of the Company's business activities and historical performance. The level of disaggregation is evaluated annually and as appropriate for changes to the Company or its business, either from internal growth, acquisitions, divestitures, or otherwise. Revenue from implementation services and combined software license and maintenance is recognized over the respective performance obligation period. As such, there is no disaggregation of revenue by point in time as all of the Company's revenue is recognized over time.

With respect to the Company's disaggregation of revenue by customer geography, geography is primarily determined based on the location of the customer identified in the contract. As described in the Technology Partner policy note above, the Company enters contracts with the Technology Partner though which the Technology Partner purchases and integrates the ILE platform into the Technology Partner's own software solution provided to one of the Technology Partner's customers. In this type of contractual arrangement, the Company identifies the Technology Partner as its customer. In contractual arrangements in which the Technology Partner is identified as the customer, the Technology Partner's end customer may or may not be known by the Company. In cases in which the Technology Partner's customer is known to the Company, the geography is determined based on the location of the Technology Partner's customer and conversely, in cases in which the Technology Partner's customer is not known, the customer geography is determined based on the geography of the Technology Partner. The following table presents this disaggregation of revenue by customer geography:

	Years Ended December 31,		
	2023	2022	2021
	(In thousands)		
India	$ 162,854	$ 138,048	$ 126,371
North America	194,886	116,112	47,953
Other[(1)]	62,842	55,010	43,543
Total Revenues	$ 420,582	$ 309,170	$ 217,867

(1) Other includes customers in Middle East and Europe.

The following table presents to disaggregation of revenue by type of revenue:

	Years Ended December 31,		
	2023	2022	2021
	(In thousands)		
Revenue related to implementation services	$ 16,491	$ 15,872	$ 5,495
Combined software license and maintenance revenues	404,091	293,298	212,372
Total Revenues	$ 420,582	$ 309,170	$ 217,867

Contract asset

Contract asset balances represent amounts for which the Company has recognized revenue, pursuant to its revenue recognition policy, for software licenses already delivered, implementation services, and maintenance services already performed but invoiced in arrears. As of December 31, 2023 and 2022 contract assets were $0.5 million and $9.4 million, respectively.

Contract liability

Contract liability represents either customer advance payments or billings for which the revenue recognition criteria has not yet been met. Contract liability is primarily unearned revenue related to combined software and maintenance services. During the year ended December 31, 2023 and 2022, $2.8 million and $2.1 million of combined software and maintenance services revenue were recognized, respectively, that was included in the contract liability balances at the beginning of the period.

Remaining performance obligations

As of December 31, 2023, the total remaining performance obligations under the Company's contracts with customers was $409.6 million, and the Company expects to recognize approximately 90% of the remaining performance obligations as revenue within the next twelve months. As of December 31, 2022, the total remaining performance obligations under the Company's contracts with customers was $235.1 million, and the Company recognized revenues on approximately 70% of these remaining performance obligations over the year ended December 31, 2023.

Cost of Revenue

Cost of revenue is comprised of expenses related to customer support and fees paid to third parties.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the consolidated statements of operations in the period of the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. During 2022, the Company achieved sufficient profits to release the entirety of its valuation allowance established in a prior period. Accordingly, as of December 31, 2023, the Company no longer maintains a valuation allowance outside of the Australia jurisdiction.

The Company records uncertain tax positions in accordance with ASC Topic 740, *Income Taxes,* ("ASC 740") on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company will recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statements of operations. As of December 31, 2023 and 2022, no accrued interest or penalties are included on the related tax liability line in the consolidated balance sheets.

Research and Development Expenses

Software development costs are expensed as incurred until the point the Company establishes technological feasibility. Technological feasibility is established upon the completion of a working model. Costs incurred by the Company between establishment of technological feasibility and the point at which the product is ready for general release are capitalized, subject to their recoverability, and amortized over the economic life of the related products. Because the Company believes its current process for developing its software products essentially results in the completion of a working product concurrent with the establishment of technological feasibility, no software development costs have been capitalized to date. There were no software development costs required to be capitalized under ASC Topic 985-20, *Costs of Software to be Sold, Leased or Marketed*. The Company's R&D costs are primarily incurred with the Company's Technology Partner discussed in Note 5.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)* ("ASU No. 2020-06"). ASU No. 2020-06 was issued to address issues identified as a result of the complexity associated with applying generally accepted accounting principles for certain financial instruments with characteristics of liabilities and equity. For convertible instruments, the FASB decided to reduce the number of accounting models for convertible debt instruments and convertible preferred stock. In addition to eliminating certain accounting models, the FASB also decided to enhance information transparency by making targeted improvements to the disclosures for convertible instruments and earnings-per-share guidance. This update is effective for public business entities for fiscal years beginning after December 15, 2021, and interim periods within those fiscal year. For all other entities, this update is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 31, 2020.

On January 1, 2023, the Company adopted this standard and it did not have a material impact on the Company's consolidated results of operations, financial position, cash flows, or related disclosures. On January 1, 2023, the Company adopted FASB ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)* ("ASU No. 2016-13"). ASU No. 2016-13 was issued to bring consistency in the accounting treatment of different types of financial instruments, require consideration of a broader range of variables when forming loss estimates, and require immediate recognition of management's estimates of current expected credit losses ("CECL"). See "*Accounts Receivable and Provision for Credit Losses*" above for further information.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker (CODM). The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows and financial condition.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity (PBE) to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. We expect this ASU to only impact our disclosures with no impacts to our results of operations, financial position, or cash flows.

3. Acquisitions

On April 4, 2022, the Company completed the acquisition of 100% interest of In2vate, LLC ("In2vate"). In2vate is a risk management and learning platform provider in Tulsa, Oklahoma. In2vate serves more than two million users delivering high impact risk management programs and services to enterprises, educational institutions, health systems and law enforcement organizations. Total consideration of $0.9 million was exchanged, consisting of 215,970 shares of the Company's common stock and contingent consideration of 34,030 shares of the Company's common stock, both at a price per share of $3.53, the contingent consideration will only vest upon the occurrence of any of the following events: an initial public offering of the Company's common stock; a merger with a special purpose acquisition company; a merger or consolidation of the Company that is also a change of control; the sale, lease, transfer, exclusive license, or other disposition of substantially all of the assets of the Company; or the sale or disposition of one or more subsidiaries of the Company if substantially all of the assets of the Company are held by those subsidiaries. This contingent consideration meets the requirements for permanent equity classification and was recorded to Additional Paid-In Capital within the consolidated balance sheets. Transaction costs related to the acquisition totaling $0.05 million are included in selling, general and administrative expenses in the consolidated statements of operations and consist primarily of legal and other management due diligence fees, for the year ended December 31, 2022.

The following table summarizes the consideration transferred and the purchase price allocation of the fair values of the assets acquired and liabilities assumed at the acquisition date:

	Amount (in thousands)
Total consideration exchanged, less cash and cash equivalents of $161	$ 722
Accounts receivables, net	$ 60
Property and equipment, net	454
Goodwill and intangible assets	319
Other assets	1
Total assets acquired	834
Accounts payable	(84)
Other current liabilities	(28)
Total liabilities assumed	(112)
Total net assets assumed	$ 722

Goodwill represents the excess of the consideration paid over the fair values of the acquired net assets and is included in Other Assets in the consolidated balance sheets. The allocated value of goodwill primarily relates to the value of the existing workforce and anticipated synergies by combining existing Company functions. The results of operations of the acquired company are included in the Company's consolidated statements of income from the date of acquisition. The goodwill is amortizable for tax purposes over 15 years.

4. Accrued Expenses

The following table presents the components of accrued expenses as of December 31, 2023, and 2022:

	As of	
	December 31, 2023	December 31, 2022
	(In thousands)	
Accrued income taxes	$ 1,742	$ 834
Other accrued expenses[(1)]	1,240	450
Total	$ 2,982	$ 1,284

(1) Other Accrued Expense includes accrued professional service fees, accrued interest, accrued compensation and benefits, and other current liabilities.

5. Technology Partner

In 2019, the Company entered a Master Agreement ("MA") with the Technology Partner, which allows for quarterly netting of amounts collected by the Technology Partner from end-users, against the cost of the Technology Partner's services rendered and billable to the Company. The MA has an initial term of five years with an automatic renewal for five additional years.

On January 1, 2021, the Company amended the interest rate with the Technology Partner which changed from a 12-month LIBOR rate plus 2.0% to a fixed rate of 3.99% through December 31, 2023. Subsequent to December 31, 2023, the Company amended the interest rate with the Technology Partner to a fixed rate of 5.99% through December 31, 2024. The Company is not required to repay any outstanding balance or accrued interest until the tenth anniversary of the effective date of termination of the MA. As of the date of these consolidated financial statements, the MA has not been terminated.

The following table summarizes the expenses charged to company by the Technology Partner that are presented within cost of revenue, selling, general and administrative expenses, and research and development expenses on the consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
	(In thousands)		
Cost of revenue	$ 132,111	$ 93,753	$ 64,834
Selling, general and administrative expense	127,538	96,972	68,931
Research and development expense	128,539	97,396	70,836
	$ 388,188	$ 288,121	$ 204,601

Subordinated Payable to the Technology Partner

On December 30, 2020, in conjunction with the 2020 Term Loans issuance described in Note 6 - Debt, the Company and the Technology Partner entered into a subordination agreement whereby the payable to the Technology Partner became subordinated to the 2020 and 2021 Term Loans.

	December 31,	
	2023	2022
	(In thousands)	
Beginning balance	$ 47,495	$ 45,828
Accrued interest	1,668	1,667
Subordinated payable to Technology Partner	$ 49,163	$ 47,495

Interest expense related to the subordinated payable to the Technology Partner was $1.7 million for each of the years ended December 31, 2023, 2022, and 2021.

Net Receivable from Technology Partner

Subsequent to the execution of the subordination agreement, the Company and the Technology Partner resumed quarterly netting of collections and the cost of services provided with the same interest rate terms defined above.

	December 31,	
	2023	2022
	(In thousands)	
Opening balance of receivable from Technology Partner	$ 10,217	$ 727
Collections by Technology Partner	389,361	297,710
Cost of services provided by Technology Partner	(388,189)	(288,121)
Net cash transfers between Company and Technology Partner	2,213	(99)
Closing balance of receivable from Technology Partner	$ 13,602	$ 10,217

6. Debt

The following table presents the components of the Company's debt as of December 31, 2023 and 2022:

	December 31,	
	2023	2022
	(In thousands)	
2020 Term Loans	$ 2,697	$ 6,708
2021 Term Loans	12,299	13,377
2023 Term Loans	10,000	-
Other Loans	-	160
	24,996	20,245
Less: Discount on debt	3,800	2,394
	21,196	17,851
Less: Current portion	10,517	8,138
Long-term portion of debt	$ 10,679	$ 9,713

Contractual interest expense related to long-term debt was $2.5 million, $2.0 million, and $1.1million for the years ended December 31, 2023, 2022, and 2021, respectively. The amortization of debt issuance costs was $2.1 million, $3.2 million and $2.2 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Aggregate annual maturities of long-term debt obligations for each of the next five years are as follows for the years ending December 31:

Year ended December 31,	Long-Term Debt (In thousands)
2024	$ 12,745
2025	8,356
2026	3,895
Total	$ 24,996

Term Loans and Warrants Issued

On December 30, 2020, the Company entered into a Loan and Security Agreement (the "2020 Term Loan") with Venture Lending & Leasing IX, Inc. (the "2020 Lender"), pursuant to which the 2020 Lender made available to the Company a term loan facility in an aggregate principal amount of $10.0 million.

In connection with the 2020 Term Loan, the Company issued to Venture Lending & Leasing IX, LLC, an affiliate of the 2020 Lender, warrants to purchase 433,597 shares of the Company (the "2020 Warrants"). The 2020 Warrants are classified as a liability and recorded at their fair value because there are certain put rights that may obligate the Company to repurchase the 2020 Warrants in the future, based on events that are outside of the control of the Company. The 2020 Warrants have an exercise price of $6.94 per share and are exercisable through July 31, 2036. In the event that the Company participates in a preferred stock financing round, the warrant will also become exercisable for shares of preferred stock at an exercise price equal to the lowest price per share of any preferred stock financing round. The 2020 Warrants are presented within the Warrant liability line item of the December 31, 2023 and December 31, 2022 consolidated balance sheets. As of December 31, 2023, the weighted average effective interest rate for 2020 Term Loan is 32.4%.

On October 21, 2021, the Company entered into a Loan and Security Agreement (the "2021 Term Loan", together with the 2020 Term Loan Agreement, the "Term Loan Agreement") with Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc. (collectively, the "2021 Lender"), pursuant to which the 2021 Lender made available to the Company a term loan facility in an aggregate principal amount of $20.0 million. The Company made its fourth draw on the 2021 Term Loan of $5.0 million on January 10, 2023. The 2021 Term Loan bears interest of 11.5% per annum. The Company incurred debt discounts on the 2021 Term Loan in connection with the fair value of the warrants referenced below. As of December 31, 2023, the weighted average effective interest rate for 2021 Term Loan is 19.1%.

In connection with the 2021 Term Loan, the Company issued to Venture Lending & Leasing IX, LLC and WTI Fund X, LLC, affiliates of the 2021 Lenders, warrants to purchase 440,021 common shares of the Company (the "2021 Warrants"), of which 55,005 were issued in 2023 in connection with the $5.0 million draw on the 2021 Term Loan on January 10, 2023. The 2021 Warrants are classified as a liability and recorded at their fair value because there are certain put rights that may obligate the Company to repurchase the 2021 Warrants in the future, based on events that are outside of the control of the Company. The 2021 Warrants have an exercise price of $6.94 per share and are exercisable through July 31, 2037. In the event that the Company participates in a preferred stock financing round, the warrant will also become exercisable for shares of preferred stock at an exercise price equal to the lowest price per share of any preferred stock financing round. The 2021 Warrants are presented within the Warrant liability line item of the December 31, 2023 and December 31, 2022 consolidated balance sheets.

On October 31, 2023, the Company entered a Loan and Security Agreement with WTI Fund X, Inc. (the "2023 Lender"), pursuant to which the 2023 Lender made available to the Company a term loan facility with an aggregate principal amount of $10.0 million (the "2023 Term Loan"). On October 31, 2023, the Company drew down the full principal amount of $10.0 million. In connection with the 2023 Term Loan, the Company issued to WTI Fund X, LLC, an affiliate of the 2023 Lender, warrants to purchase 220,681 common shares. The 2023 Warrants have an exercise price of $10.14 per share and are exercisable through October 31, 2038. As of December 31, 2023, the effective interest rate for 2023 Term Loan is 35.9%.

The Company's 2020, 2021, and 2023 Term Loans are subject to covenant clauses, whereby the Company is required to pay and file all taxes in a timely manner as well as deliver audited consolidated financial statements within six months after the end of each financial reporting year. The Company did not pay or file employment payroll tax returns for any period from its inception through the year ended December 31, 2020. The Company also failed to deliver audited consolidated financial statements for the years ended December 31, 2022 and 2021 within the required time period. In addition, the Company failed to maintain $2.0 million as restricted cash in a separate bank account, as required under the terms of 2023 Term Loan, for the year ended December 31, 2023. Due to these breaches of covenant clauses, the 2020, 2021, and 2023 Lenders were contractually entitled to request immediate repayment of the outstanding 2020, 2021, and 2023 Term Loans, however agreed to waive the each of the various covenant breaches described. Accordingly, the current portion of long-term debt presented within the consolidated balance sheets represent only the principal payments contractually due within the twelve months of each balance sheet date.

The following is a schedule of changes in warrants issued and outstanding from January 1, 2022 to December 31, 2023:

	Units
Outstanding as of December 31, 2021	708,609
Warrants issued	110,004
Outstanding as of December 31, 2022	818,613
Warrants issued	275,686
Outstanding as of December 31, 2023	1,094,299

7. Convertible Notes

The Company entered into a Convertible Note Purchase Agreement on April 27, 2023 with Arrowroot Capital, to finance the proposed business combination discussed in Note 1 – Nature of the Business and Basis of Presentation. The Convertible Notes shall bear simple interest, accrued on a daily basis in arrears, at a rate of 15.0% per annum until aggregate accrued interest is greater than 25.0% of the principal amount, and at a rate of 8.0% per annum thereafter. An amount equal to the sum of the product of the outstanding principal balance times 2.75, or $47.9 million at December 31, 2023, and the unpaid accrued interest on the notes are due and payable upon the earlier of the maturity date and occurrence of any event of default, as defined in the agreement. The Convertible Notes are issuable with an aggregate principal amount up to $50.0 million payable in cash of which $17.4 million has been drawn upon as of December 31, 2023. The Convertible Notes mature on October 27, 2025, unless converted earlier, redeemed, or repurchased in accordance with their terms, prior to the maturity date.

Under the terms of the Convertible Note Purchase Agreement, the Convertible Notes will be convertible to shares including under the following circumstances after April 27, 2023:

- upon the occurrence of an equity financing, the lender can elect to exchange the Convertible Notes into the number of shares of equity securities issued in such equity financing equal to the note balance divided by the equity price in such equity financing and
- immediately prior to the consummation of a qualified de-SPAC transaction, the Convertible Notes shall automatically convert, in whole, into shares of common stock of the Company thereby entitling the lender to receive a number of shares equal to the note balance, divided by $10.00.

Additionally, pursuant to the note purchase agreement, the Company may prepay the Convertible Notes in cash without the consent of the holders, at an amount equal to the balance of the note, at any time prior to October 27, 2025. As of December 31, 2023, the fair value of the Convertible Notes was $31.5 million, and the corresponding change in fair value of the Convertible Notes was an increase of $14.1 million for the year ended December 31, 2023.

8. Share-Based Compensation

On August 12, 2021, the Company adopted the 2020 Equity Incentive Plan (the “Plan”). The total restricted stock units (“RSUs”) granted under the Plan as of December 31, 2023 and December 31, 2022 was 8,338,438 and 7,138,438, respectively. The awards have a four year service requirement with a one-year cliff vesting starting on the employment date and are subject to the Liquidity Event provision defined below.

As of December 31, 2023 and December 31, 2022, the Company had 39,883,388 shares of restricted stock awards outstanding with the Company’s founders with a ten year service requirements starting on the day of the Liquidity Event (defined below) (the “Founder Restricted Shares”) and 360,290 restricted shares outstanding with a former employee, in which the service requirement had been deemed met on the grant date (together with the Founder Restricted Shares, the “Restricted Shares”). The Company’s 40,243,678 outstanding Restricted Shares participate on par with common shares in all distributions from the Company, as the holders of these restricted shares are entitled to non-forfeitable dividend rights. Each of the RSUs and Restricted Shares is subject to a change of control provision; an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”); a direct listing on the Nasdaq Global Select Market or New York Stock Exchange; or the Company’s completion of a merger or consolidation with a SPAC whereby the surviving company’s common stock are publicly traded in a public offering pursuant to an effective registration statement under the Securities Act (collectively, the “Liquidity Events”).

The summary of nonvested RSUs and Restricted Shares whose vesting is subject to the achievement of a Liquidity Event for the year ended December 31, 2023 is disclosed below:

	Shares	Weighted Average Grant Date Fair Value
RSUs		
Nonvested as of January 1, 2022	7,138,438	$ 3.53
Granted	-	-
Nonvested as of December 31, 2022	7,138,438	$ 3.53
Granted	1,200,000	$ 7.39
Nonvested as of December 31, 2023	8,338,438	$ 4.09

	Shares	Weighted Average Grant Date Fair Value
Restricted Shares		
Nonvested as of January 1, 2022	40,243,678	$ 3.53
Granted	-	-
Nonvested as of December 31, 2022	40,243,678	$ 3.53
Granted	-	-
Nonvested as of December 31, 2023	40,243,678	$ 3.53

The aggregate unrecognized compensation expense for these awards whose vesting is subject to the achievement of a Liquidity Event is $176.1 million as of December 31, 2023.

The vesting of these RSUs and Restricted Shares is contingent upon the Liquidity Events that are considered not probable of occurring until it actually occurs, therefore no share-based compensation expense will be recognized until any of the Liquidity Events are achieved.

9. Income Taxes

(Loss) income before income tax expense (benefit) consisted of the following (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Domestic	$ (2,230)	$ 5,441	$ 2,524
Foreign	(20)	50	29
Net (loss) income before income tax (benefit) expense	$ (2,250)	$ 5,491	$ 2,553

The components of the provision (benefit) for income taxes are as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Current expense:			
Federal	$ 637	$ 483	$ —
State	406	319	32
Foreign	21	21	—
Total current expense:	1,064	823	32
Deferred expense (benefit):			
Federal	1,325	(6,623)	—
State	(229)	(172)	—
Foreign	(3)	(3)	—
Total deferred benefit:	1,093	(6,798)	—
Total income tax expense (benefit):	$ 2,157	$ (5,975)	$ 32

A reconciliation of the Company's statutory income tax rate to the Company's effective income tax rate is as follows:

	Years Ended December 31,		
	2023	2022	2021
Federal statutory rate	21.0%	21.0%	21.0%
Effect of:			
State taxes, net of federal tax benefit	(6.4)%	1.6%	2.4%
Permanent differences	(0.3)%	0.2%	0.4%
FDII provisions	28.5%	(1.6)%	0.0%
Foreign rate differential	0.5%	0.2%	(0.2)%
Change in fair value of securities	(139.2)%	(0.9)%	0.7%
Change in state rates	2.4%	11.0%	71.2%
Stock compensation	(0.9)%	0.0%	0.3%
Change in valuation allowance	(1.4)%	(140.3)%	(94.6)%
Effective tax rate	(95.8)%	(108.8)%	1.2%

The net deferred income tax asset balance related to the following (in thousands):

	Years Ended December 31,	
	2023	2022
Deferred tax assets:		
Federal, state and local net operating loss carryforwards	$ 3,101	$ 5,579
Payroll taxes	743	643
163j disallowed interest	224	7
Capitalized R&D expenses	2,935	1,883
Accrued expenses	127	10
Total deferred tax assets before valuation allowance	7,130	8,122
Deferred tax liabilities:		
Other	(80)	(86)
481(A) adjustment	(1,315)	(1,238)
Total deferred tax liabilities before valuation allowance	(1,395)	(1,324)
Valuation allowance	(32)	—
Net deferred tax asset	$ 5,703	$ 6,798

As of December 31, 2023, 2022, and 2021, the Company had federal net operating loss carryforwards of $14.5 million, $26.3 million, and $37.8 million, respectively. As of December 31, 2023 and 2022, the Company has state net operating loss ("NOL") carryforwards of $26.7 million and $37.4 million. The Federal net operating loss carryforwards may be carried forward indefinitely, subject to 80% of taxable income limitation. The state net operating loss carryforwards begin to expire in 2037. As of December 31, 2023, the Company had foreign NOL carryforwards of $0.1 million, primarily related to Australia. There were no foreign NOL carryforwards as of December 31, 2022.

As of December 31, 2023, the Company had interest expense carryforward for U.S. income tax purposes of $0.9 million. The entire $0.9 million has an indefinite carryforward period. These carryforwards are available, subject to certain limitations, to offset future taxable income.

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As of December 31, 2023 and 2022, the Company performed an evaluation to determine whether a valuation allowance was needed. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. With the exception of the Australia jurisdiction, the Company determined that future taxable income is probable and determined that it is more likely than not that all of the deferred tax assets will be realized. Accordingly, as of December 31, 2023, the Company no longer maintains a valuation allowance outside of the Australia jurisdiction.

The Tax Cuts and Jobs Act ("TCJA") resulted in significant changes to the treatment of R&D expenditures under Section 174. For tax years beginning after December 31, 2021, taxpayers are required to capitalize and amortize all R&D expenditures that are paid or incurred in connection with their trade or business. Specifically, costs for U.S.-based R&D activities must be amortized over five years and costs for foreign R&D activities must be amortized over 15 years — both using a midyear convention. During the year ended December 31, 2023, the Company capitalized $4.5 million of foreign R&D expenses for income tax purposes.

Under Internal Revenue Code Section 382, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. The Company has not completed a study to assess whether an "ownership change" has occurred or whether there have been multiple ownership changes since ILE became a "loss corporation" as defined in Section 382. Future changes in the Company's stock ownership, which may be outside of ILE's control, may trigger an "ownership change." In addition, future equity offerings or acquisitions that have equity as a component of the purchase price could result in an "ownership change." If an "ownership change" has occurred or does occur in the future, utilization of the NOL carryforwards or other tax attributes may be limited, which could potentially result in increased future tax liability to the Company.

The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations for both federal taxes and the many states in which the Company operates or does business in. ASC 740 states that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits.

The Company records uncertain tax positions as liabilities in accordance with ASC 740 and adjusts these liabilities when the Company's judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available. As of December 31, 2023 and 2022, the Company has not recorded any uncertain tax positions in the Company's financial statements.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statements of operations. As of December 31, 2023 and 2022, no accrued interest or penalties are accrued on the consolidated balance sheet.

A reconciliation of the beginning and ending amounts of unrecognized tax provision is as follows:

	Year Ended December 31,	
	2023	2022
	(In thousands)	
Gross tax contingencies as of beginning of year	$ —	$ 1,715
Decreases in gross tax contingencies	—	(1,715)
Gross tax contingencies as of end of year	$ —	$ —

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending tax examinations.

10. Net (Loss) Income Per Share

Basic net (loss) income per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net (loss) income per share is computed using the weighted-average number of common shares and, if dilutive, common share equivalents outstanding during the period.

The computation of basic and diluted net (loss) income per share and weighted-average shares of the Company's common stock outstanding during the periods presented is as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In thousands, except share and per share amounts)		
Basic net (loss) income per share:			
Net (loss) income	$ (4,407)	$ 11,466	$ 2,521
Income allocated to participating securities	—	(3,393)	(358)
Net (loss) income attributable to common stockholders – basic	$ (4,407)	$ 8,073	$ 2,163
Diluted net (loss) income per share:			
Net (loss) income attributable to common stockholders – basic	$ (4,407)	$ 8,073	$ 2,163
Interest expense on the 2019 Convertible Notes	—	—	39
Net (loss) income attributable to common stockholders – diluted	$ (4,407)	$ 8,073	$ 2,202
Shares used in computation:			
Weighted-average common shares outstanding	95,782,605	95,728,760	94,697,428
Weighted-average effect of dilutive securities:			
Assumed conversion of the 2019 Convertible Notes	—	—	3,345,450
Diluted weighted-average common shares outstanding	95,782,605	95,728,760	98,042,878
Net (loss) income per share attributable to common stockholders:			
Basic	$ (0.05)	$ 0.08	$ 0.02
Diluted	$ (0.05)	$ 0.08	$ 0.02

There were no dividends declared or accumulated on the common shares during the years ended December 31, 2023, 2022 and 2021.The Company applies the two-class method to its Restricted Shares, which contains non-forfeitable dividend rights and thereby meets the definition of participating securities, which requires earnings available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all earnings for the period had been distributed. Net loss is not allocated to participating securities in accordance with the contractual terms. The Company's weighted average restricted shares outstanding for the years ended December 31, 2023, 2022 and 2021 are 40,243,678, 40,243,678 and 15,656,445, respectively. The Company excluded the following securities, presented based on amounts outstanding at each period end, from the computation of diluted net (loss) income per share attributable to common stockholders for the periods indicated, as including them would have had an anti-dilutive effect:

	Year Ended December 31,		
	2023	2022	2021
Warrants to purchase common stock[(1)]	1,094,299	818,613	708,609
RSUs[(2)]	8,338,438	7,138,438	6,988,938
Contingent consideration to In2vate[(3)]	34,030	34,030	—
Convertible Notes[(4)]	4,905,672	—	—
Restricted Shares[(5)]	40,243,678	—	—

(1) The treasury stock method was applied to warrants, in which the impact was anti-dilutive for the year ended December 31, 2023 and 2022. Therefore, they are excluded from the dilutive EPS calculation.

(2) RSUs are subject to the vesting condition under the Liquidity Event, as discussed in Note 8 – Share Based Compensation. As these securities are considered as contingently issuable shares where the contingency has not been met at the end of the reporting period, they are excluded from the dilutive net income (loss) per share calculation for the periods presented.

(3) Contingencies underlying contingent consideration payable to In2vate was not met as of the end of the reporting period. Therefore, these shares have been excluded from the dilutive net (loss) income per share calculation for the periods presented.

(4) If-converted method was applied to the Convertible Notes, in which the impact was anti-dilutive for the year ended December 31, 2023. Therefore, they are excluded from the dilutive EPS calculation.

(5) Restricted Shares were excluded from dilutive earnings per share calculation for the year ended December 31, 2023 as the impact of including such shares would be anti-dilutive.

11. Payroll Taxes Payable

The Company has not paid or filed employment payroll tax returns for any period from inception through December 31, 2020. The federal and state withholding tax, employer payroll taxes, penalties, and interest liability from inception of the Company through December 31, 2023 and related penalties and interest were recorded within Payroll Taxes Payable on the consolidated balance sheets. The total liability was $3.0 million and $2.8 million as of December 31, 2023 and December 31, 2022, respectively. The related charge for these accruals is recorded to Selling, General, and Administrative Expenses within the consolidated statements of operations.

12. Fair Value Measurements

The Company's financial instruments consist of its warrant liability, 2020 Term Loans, 2021 Term Loans, 2023 Term Loans, Other Loans, Convertible Notes, and Subordinated Payable to Technology Partner.

The carrying value and estimated fair value of the Company's 2020 Term Loans, 2021 Term Loans, 2023 Term Loans, Other Loans, Convertible Notes, and Subordinated Payable to Technology Partner of December 31, 2023 and 2022, were as follows:

	December 31, 2023			December 31, 2022		
	Principal Amount	Carrying Amount	Fair Value	Principal Amount	Carrying Amount	Fair Value
	(In thousands)					
2020 Term Loans	$ 2,697	$ 2,483	$ 2,697	$ 6,708	$ 5,615	$ 6,708
2021 Term Loans	12,299	11,498	12,299	13,377	12,076	13,377
2023 Term Loans	10,000	7,215	10,000	—	—	—
Convertible Notes	17,400	31,547	31,547	—	—	—
Other Loans	—	—	—	160	160	160
Subordinated Payable to Technology Partner	49,163	49,163	49,163	47,495	47,495	47,495
	$ 91,559	$ 101,906	$ 105,706	$ 67,740	$ 65,346	$ 67,740

With respect to the 2020 Term Loans, 2021 Term Loans, 2023 Term Loans, Other Loans, and Subordinated Payable to Technology Partner, the Company concluded the fair value approximated the principal value as of December 31, 2023 and 2022.

The fair value of the Convertible Notes is estimated using a scenario-based approach which considers the conversion feature and related payoffs within each scenario. The level 3 inputs used in the valuation model for the Convertible Notes as of December 31, 2023, included the following:

	December 31, 2023		
Redemption Event	Equity Financing	De-SPAC Transaction	Hold-to-Maturity
Probability	8.0%	90.0%	2.0%
Time to Event Date (years)	0.13	0.13	1.82
Discount Spread	574.2%	574.2%	574.2%
Risk free rate	5.6%	5.6%	4.4%
Discount Yield	579.8%	579.8%	578.6%

The fair value of the warrant liability was determined using an option pricing model which utilized the following level 3 inputs:

	December 31, 2023	
	Private Sale Scenario (10% Probability)	SPAC Scenario (90% Probability)
Volatility	60%	50%
Risk-free interest rate	4.7%	5.5%
Dividend yield	0.0%	0.0%
Exercise price for $6.94 warrants	$ 6.94	$ 6.94
Exercise price for $10.14 warrants	$ 10.14	$ 10.14
Term	1.0 years	0.1 years
Equity value[(1)]	$ 585,798,557	$ 1,235,675,336

(1) Equity value was derived from weighted average of discounted cash flow, guideline company method, and transaction methodologies.

	December 31, 2022
Volatility	72.0%
Risk-free interest rate	4.5%
Dividend yield	0.0%
Exercise price	$ 6.94
Term	2.0 Years
Equity value[(1)]	$ 514,210,000

(1) Equity value was derived from weighted average of discounted cash flow, guideline company method, and transaction methodologies.

The Company's liabilities measured at fair value on a recurring basis were categorized as follows within the fair value hierarchy.

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Liabilities				
Warrant liability	$ -	$ -	$ 11,870	$ 11,870
Convertible Notes	-	-	31,547	31,547
Total liabilities	$ -	$ -	$ 43,417	$ 43,417

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Liabilities				
Warrant liability	$ -	$ -	$ 7,645	$ 7,645
Total liabilities	$ -	$ -	$ 7,645	$ 7,645

The following table summarizes the activity for the Company's Level 3 liabilities measured at fair value:

	Warrant Liability
	(In thousands)
Balance as of January 1, 2022	$ 6,866
Issuance	1,027
Change in fair value	(248)
Balance as of December 31, 2022	$ 7,645
Issuance	3,454
Change in fair value	771
Balance as of December 31, 2023	$ 11,870

	Convertible Notes
	(In thousands)
Balance as of December 31, 2022	$ -
Issuance	17,400
Change in fair value	14,147
Balance as of December 31, 2023	$ 31,547

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2, nor into and out of Level 3.

13. Commitments and Contingencies

Contingencies

The Company evaluates for any potential impact of loss contingencies that are probable and reasonably estimable. As of December 31, 2023 and 2022, there were no loss contingencies recorded.

While the Company does not anticipate that the resolution of any ongoing matters will have a material impact on its results of operations, financial condition, or cash flows, it is important to note that the ultimate outcome of these matters remains uncertain. In the event of an unfavorable resolution of one or more of these contingencies, it could have a material effect on the Company's financial condition, results of operations, or cash flows.

The Company will continue to monitor these matters and disclose any significant developments or changes in future financial statements as necessary.

Purchase Commitments

The Company entered into a long-term software licensing contract with a major customer that commenced in 2018 and is set to expire in June 2024, subject to an additional 5-year renewal. The contract has an annual value of $50.3 million. As part of the agreement, the Company installs its software licenses on the customer's servers, and in exchange, the customer pays an annual fee for access to the software license and related maintenance services. Additionally, the Company has a separate contract with the customer for the purchase of the customer's end-user data. This data is essential for the Company's development and utilization of its next-generation artificial intelligence platform. The annual price for this data acquisition amounts to approximately $30.0 million.

The sale of the software license and the purchase of the customer's end-user data are treated as distinct and independent transactions. Furthermore, the software licensing contract and the data acquisition contract can be canceled individually without affecting the other contract, with the data acquisition contract requiring twelve months' notice for cancellation by either party. Due to the distinct nature of the data acquisition from the customer, which is obtained at fair value and used primarily for research and development purposes, the revenue generated from the software licensing contract is recognized on a gross basis. Conversely, the expenses associated with the data acquisition are also recognized on a gross basis and classified as research and development expenses.

This accounting treatment accurately reflects the separate nature of these transactions and ensures appropriate recognition of revenue and expenses related to the software licensing and data acquisition activities.

Financial Advisor Agreement

The Company has a financial advisory agreement in place with a designated financial advisor to assist with any future equity fundraising activities. According to the terms of the agreement, the financial advisor will receive compensation based on the following structure:

For equity raises comprising less than a majority of the Company's equity capitalization, the financial advisor will be entitled to a fee equal to 5.0% of the gross proceeds generated from the equity raise.

In the event of an equity raise comprising a majority of the Company's equity capitalization, the financial advisor's compensation will be calculated based on the greater of the following:

i) A flat fee of $3.5 million.

ii) 1.0% of the aggregate value of the equity raise up to $1.0 billion, plus an additional 1.5% of the portion of the aggregate value of the equity raise that exceeds $1.0 billion.

These compensation terms outline the financial advisor's entitlement to fees based on the successful completion of equity fundraising activities. For non-equity transactions the specific fee is open to negotiation on a transaction by transaction basis to ensure that the financial advisor's compensation aligns with the scale and significance of the equity raise, considering the Company's equity capitalization and the total value of the funds raised.

Litigation

The Company is involved in litigation arising in the normal course of business. Such litigation is not expected to have a material effect on the Company's financial condition, results of operations, and cash flows.

14. Related-Party Transactions

Receivable from related party

The Company had outstanding receivables from Directors in the amounts of $0.5 million and $0.6 million as of December 31, 2023 and December 31, 2022, respectively related to expenses that the Company incurred on behalf of the Directors.

In February 2024, the Company collected the full amount of the related party receivable from each Director. No balance is outstanding after the collection.

15. Subsequent Events

The Company has evaluated all events subsequent to December 31, 2023 and through April 22, 2024, which represents the date these consolidated financial statements were available to be issued.

Closing of the Merger and Related Transactions

On April 16, 2024, (the "Closing Date"), the Company consummated the previously announced merger contemplated by the Merger Agreement dated April 27, 2023 (the "SPAC Transaction"). Refer to Note 1 for additional detail.

The business combination is being accounted for as a reverse recapitalization, in accordance with U.S. GAAP. Under this method of accounting, although Arrowroot issued shares for outstanding equity interests of iLearningEngines, Inc. in the business combination, Arrowroot is treated as the "acquired" company for financial reporting purposes. Accordingly, the business combination is treated as the equivalent of the Company issuing stock for the net assets of Arrowroot, accompanied by a recapitalization. The net assets of Arrowroot is stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the business combination will be those of the Company.

In connection with the closing of the business combination, Arrowroot Acquisition Corp. (NASDAQ: ARRW) changed its name to "iLearningEngines, Inc." ("NewCo") and is listed on the NASDAQ under the new ticker symbol "AILE".

On the Closing Date, the following transactions occurred pursuant to the terms of the Merger Agreement:

(i) Current ILE stockholders own 109,684,738 shares of NewCo common stock on the Closing Date in exchange for former ILE shares;

(ii) Former Arrowroot public stockholders own 638,977 shares of NewCo common stock on the Closing Date in exchange for former Arrowroot public shares;

(iii) Current and former affiliates of Arrowroot own 8,674,617 shares of NewCo common stock on the Closing Date in exchange for former Arrowroot convertible and promissory notes;

(iv) Convertible note investors (not including affiliates of Arrowroot) own 11,551,784 shares of NewCo common stock on the Closing Date in exchange for former ILE convertible notes (see "Convertible Note Purchase Agreement" below for portion of convertible notes entered into on Closing Date);

(v) The 2020 Lender, 2021 Lender and 2023 Lender own 4,419,998 shares of NewCo common stock on the Closing Date based on amendments to term loans (see "Amendments to 2020, 2021 and 2023 Term Loan" below for further details). Upon repayment of the term loans on April 18, 2024, 815,999 of the shares of NewCo common stock were cancelled.

Convertible Note Purchase Agreement

In connection with the SPAC Transaction, the Company issued and converted $29.4 million of 2024 convertible notes. The Company issued $0.7 million of convertible notes on March 21, 2024, and $28.7 million of convertible notes on the Closing Date (collectively, the "2024 Convertible Notes"). The 2024 Convertible Notes were converted to 8,089,532 common shares of NewCo on the Closing Date.

Amendments to 2020, 2021 and 2023 Term Loan

On March 27, 2024, ILE entered into an agreement to amend the 2020, 2021 and 2023 Term Loans ("Term Loans"). Pursuant to the amendment, the Term Loans were amended to:

(i) revise the amortization schedule for the Term Loans in exchange for 1,019,999 shares of NewCo common stock to be issued upon completion of the SPAC Transaction (the "Loan Restructuring Shares")

(ii) terminate the 2020 Warrants, 2021 Warrants and 2023 Warrants and the respective put rights associated with each in exchange for our agreement to provide the 2020 Lenders, 2021 Lenders and 2023 Lender with an aggregate amount of 3,399,999 shares of NewCo common stock to be issued upon completion of the SPAC Transaction.

If the Company repays the Term Loans on or before (i) April 15, 2024, then 90% of the Loan Restructuring Shares will be cancelled, (ii) May 1, 2024, then 80% of the Loan Restructuring Shares will be cancelled, and (iii) July 1, 2024, then 50% of the Loan Restructuring Shares will be cancelled. The Company repaid the Term Loans on April 18, 2024, and 815,999 shares were cancelled.

In addition, the amendment provides that, if the Company prepays the Term Loans, then at the Company's option, the Company may prepay 50% of the amount of scheduled but unpaid payments of interest that would have accrued after the prepayment date by issuing a number of shares of NewCo common stock obtained by dividing (A) the product of (x) the unpaid scheduled interest payments and (y) 2.75, by (B) the VWAP of NewCo common stock over the seven (7) trading days immediately preceding the date of issuance. The Company prepaid the full amount of the Term Loan on April 18, 2024 in a combination of cash and 159,379 shares of common stock.

Negotiation of Payables to Third-Party Vendors

On March 27, 2024, the Company and the financial advisor (refer to Note 13) amended the financial advisory agreement to provide that, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses owed under the financial advisory agreement, the Company will pay the financial advisor $7,500,000 in cash or NewCo shares, at the sole discretion of the Company.

The Company also negotiated concessions on accounts payable to other third-party vendors in several forms. The form of concessions include: (1) providing a discount to the total amount payable, (2) the option to settle certain payables in common stock, and (3) entering into a deferred payment agreement for certain payables. The concessions became effective on the Closing Date.

Proposed 2024 Equity Incentive Plan

The Company proposed a new equity incentive plan for 2024 and the plan was approved on April 1, 2024.

East West Bank Financing

On April 17, 2024 (the "Loan Closing Date"), Legacy iLearningEngines entered into a Loan and Security Agreement (the "Revolving Loan Agreement"), by and among Legacy iLearningEngines as borrower ("Borrower"), the lenders party thereto (the "Lenders") and East West Bank, as administrative agent and collateral agent for the Lenders ("Agent"). The Revolving Loan Agreement provides for (i) a revolving credit facility in an aggregate principal amount of up to $40.0 million and (ii) an uncommitted accordion facility allowing the Borrower to increase the revolving commitments by an additional principal amount of $20.0 million at Borrower's option and upon Agent's approval (collectively, the "Revolving Loans"). Borrower drew $40.0 million in Revolving Loans on the Loan Closing Date, which was used (x) to repay in full Borrower's Term Loans and (y) for general corporate purposes.

The obligations under the Revolving Loan Agreement are secured by a perfected security interest in substantially all of the Borrower's assets except for certain customary excluded property pursuant to the terms of the Revolving Loan Agreement. On the Loan Closing Date, the Company and In2Vate, L.L.C., an Oklahoma limited liability company (the "Guarantors") and wholly-owned subsidiary of Legacy iLearningEngines entered into a Guaranty and Suretyship Agreement (the "Guaranty") with the Agent, pursuant to which the Guarantors provided a guaranty of Borrower's obligations under the Revolving Loan Agreement and provided a security interest in substantially all of the Guarantors' assets except for certain customary excluded property pursuant to the terms of the Guaranty.

The interest rate applicable to the Revolving Loans is Adjusted Term SOFR (with an interest period of 1 or 3 months at the Borrower's option) plus 3.50% per annum, subject to an Adjusted Term SOFR floor of 4.00%.

The maturity date of the Revolving Loans is April 17, 2027. The Revolving Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Borrower is also required to comply with the following financial covenants, which are more fully set forth in the Revolving Loan Agreement (i) minimum liquidity, (ii) minimum revenue performance to plan, (iii) minimum fixed charge coverage ratio and (iv) maximum leverage ratio.

The Revolving Loan Agreement also includes customary events of default, including failure to pay principal, interest or certain other amounts when due, material inaccuracy of representations and warranties, violation of covenants, specified cross-default and cross-acceleration to other material indebtedness, certain bankruptcy and insolvency events, certain undischarged judgments, material invalidity of guarantees or grant of security interest, material adverse effect and change of control, in certain cases subject to certain thresholds and grace periods. If one or more events of default occurs and continues beyond any applicable cure period, the Agent may, with the consent of the Lenders holding a majority of the loans and commitments under the facility, or will, at the request of such Lenders, terminate the commitments of the Lenders to make further loans and declare all of the obligations of the Company under the Revolving Loan Agreement to be immediately due and payable.

Exhibit 99.5

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below have the same meaning as terms defined and included elsewhere in this Form 8-K.

Introduction

As previously announced on April 27, 2023, Arrowroot, Merger Sub, and iLearningEngines entered into the Merger Agreement, pursuant to which Merger Sub was to be merged with and into iLearningEngines, whereupon the separate corporate existence of Merger Sub would ceased and iLearningEngines, renamed as iLearningEngines Holdings, Inc., would become the surviving company and continue in existence as a wholly owned subsidiary of Arrowroot, on the terms and subject to the conditions set forth therein. The Business Combination closed on April 16, 2024.

Upon the closing of the Business Combination, Arrowroot has been renamed as "iLearningEngines, Inc." ("New iLearningEngines"). New iLearningEngines is providing the following unaudited pro forma condensed combined financial information to aid in the analysis of the financial aspects of the Business Combination and other events contemplated by the Merger Agreement. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 Amendments to Financial Disclosures about Acquired and Disposed Businesses.

iLearningEngines was incorporated in Delaware on November 17, 2010. The Company offers an AI Learning and Engagement platform focused on automation of learning and enabling organizations to drive mission critical outcomes at scale. The Company's cloud-based platform is being deployed globally into some of the most demanding vertical markets including healthcare, education, insurance, retail, oil & gas/energy, manufacturing and the government.

Arrowroot was a blank check company incorporated in Delaware on November 5, 2020. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On March 4, 2021, the Company consummated its initial public offering of 28,750,000 Units, including 3,750,000 units as a result of the underwriter's full exercise of their over-allotment option at an offering price of $10.00 per unit and a private placement with sponsor, Arrowroot Acquisition LLC, of 8,250,000 private placement warrants at a price of $1.00 per warrant. The net proceeds from Units together with certain of the proceeds from the Private Placement, $287,500,000 in the aggregate, were placed in a trust account established for the benefit of the Company's public stockholders and the underwriter of the initial public offering with Continental Stock Transfer & Trust Company acting as trustee. On February 28, 2023, Arrowroot held a special meeting of its stockholders regarding the Extension, at which Arrowroot stockholders approved the Extension. Approximately 85% of the Public Shares in the Trust were redeemed in connection with the Extension leaving approximately $45 million in the Trust Account after the satisfaction of such redemptions.

On February 2, 2024, the Company held a special meeting of stockholders (the "Extension Special Meeting") to approve an amendment to Arrowroot's amended and restated certificate of incorporation, as amended (the "Charter Amendment"), to extend the Termination Date from February 4, 2024 to March 6, 2024 (the "Initial Subsequent Charter Extension Date") and to allow the Company, without another stockholder vote, to elect to extend the Termination Date to consummate an initial business combination on a monthly basis up to five times by an additional one month each time after the Initial Subsequent Charter Extension Date (the Initial Subsequent Charter Extension Date, as further extended by the Company, the "Subsequent Extension Date"), by resolution of the Company's board of directors, if requested by the Sponsor, and upon five days' advance notice prior to the applicable Termination Date, until August 6, 2024, unless the closing of an initial business combination shall have occurred prior thereto (the "Subsequent Extension Proposal").

In connection with the vote to approve the Charter Amendment, the holders of 3,428,783 shares of Class A common stock properly exercised their right to redeem their shares (and did not withdraw their redemption) for cash at a redemption price of approximately $10.59 per share, for an aggregate redemption amount of $36,309,429. After the satisfaction of such redemptions, the balance in the Company's Trust Account was approximately $10.77 million.

Merger Sub was a newly formed, wholly owned, direct subsidiary of Arrowroot that was formed for the purposes of consummating the Business Combination on April 27, 2023. Merger Sub has no material assets and did not operate any businesses. Accordingly, no financial statements of Merger Sub have been included in this Form 8-K.

The following unaudited pro forma condensed combined balance sheet as of December 31, 2023 assumes that the Business Combination occurred on December 31, 2023. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 present pro forma effect to the Business Combination as if it had been completed on January 1, 2023.

The unaudited pro forma condensed combined financial statements have been presented for illustrative purposes only and do not necessarily reflect what New iLearningEngines financial condition or results of operations would have been had the acquisition occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial information also may not be useful in predicting the future financial condition and results of operations of New iLearningEngines. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed. The assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes.

The historical financial information of iLearningEngines was derived from the audited consolidated financial statements as of and for the year ended December 31, 2023 included elsewhere in this Form 8-K. The historical financial information of Arrowroot was derived from the audited consolidated financial statements as of and for the year ended December 31, 2023 included in Arrowroot's Form 10-K incorporated into this Form 8-K by reference. The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the audited financial statements of each of iLearningEngines and Arrowroot and the notes thereto, as well as the disclosures contained in the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information included elsewhere in this Form 8-K.

Description of the Business Combination

Merger Agreement

On April 27, 2023, Arrowroot entered into the Merger Agreement with the Merger Sub and iLearningEngines. The Merger Agreement provided that, among other things and upon the terms and subject to the conditions thereof, the following transactions will occur (together with the other transactions) contemplated by the Merger Agreement. At the Closing of the Business Combination on April 16, 2024, (i) Merger Sub merged with and into iLearningEngines, the separate corporate existence of Merger Sub ceased and iLearningEngines is the surviving corporation and a wholly owned subsidiary of Arrowroot, (ii) iLearningEngines changed its name to "iLearningEngines Holdings, Inc." and (iii) Arrowroot changed its name to "iLearningEngines, Inc."

Upon the Closing of the Business Combination, subject to the terms and conditions of the Merger Agreement, each share of the iLearningEngines Common Stock, each share of iLearningEngines Restricted Stock, each iLearningEngines RSU and each iLearningEngines Warrant has been converted into the right to receive a portion of the Merger consideration as set forth in the Merger Agreement.

Other Agreements Related to the Merger Agreement

Stockholder Support Agreement

In connection with the execution of the Merger Agreement, Legacy iLearningEngines' stockholders holding sufficient shares of iLearningEngines common stock to meet the Requisite Approval entered into support agreements (collectively, the "iLearningEngines Support Agreements") with ARRW and Legacy iLearningEngines, pursuant to which, among other things, such stockholders of Legacy iLearningEngines agreed to: (i) not transfer, arrange to transfer or announce any transfer of any Legacy iLearningEngines shares such stockholders holds or may acquire, other than transfers to other stockholders of Legacy iLearningEngines that are party to the iLearningEngines Support Agreements, transfers for estate planning purposes or pursuant to intestacy laws, transfers that are a distribution to partners, members or affiliates of such stockholder or transfers of Incentive Shares; (ii) approve and adopt the Merger Agreement, the ancillary agreements thereto and the transactions contemplated thereby; (iii) vote against or withhold consent with respect to any merger, purchase of all or substantially all of Legacy iLearningEngines' assets or other business combination transactions other than the Business Combination; (iv) vote against or withhold consent with respect to any proposal, action or agreement that would impede or frustrate the Business Combination, result in a breach of any representation, warranty or covenant in the Merger Agreement or result in a condition to the Business Combination being unfulfilled; (v) not commence or join any class in a class action challenging the validity of the Business Combination or alleging a breach of fiduciary duty by any person in connection with the Business Combination; and (vi) waive dissenters' rights, appraisal rights or similar rights under Delaware law. The iLearningEngines Support Agreements will terminate upon the earliest to occur of: (i) the effective time of the Merger Agreement; (ii) the termination of the Merger Agreement; and (iii) as to each Legacy iLearningEngines stockholder a party thereto, upon the written agreement of ARRW, Legacy iLearningEngines and such Legacy iLearningEngines stockholder.

The foregoing description of the iLearningEngines Support Agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the iLearningEngines Support Agreements, the form of which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

Sponsor Support Agreement

In connection with the execution of the Merger Agreement, ARRW entered into a sponsor support agreement (the "Sponsor Support Agreement") with the Sponsor, Legacy iLearningEngines, Dixon Doll and Will Semple. Pursuant to the Sponsor Support Agreement, each of the Sponsor and Dixon Doll and Will Semple agreed to (i) vote all shares of ARRW Common Stock held by such person in favor of the Business Combination, (ii) discharge any Excess Transaction Expenses (as defined in the Merger Agreement) by payment in cash or elect, at the option of such person, to have ARRW discharge any Excess Transaction Expenses by payment in cash against a corresponding cancellation of shares of ARRW Common Stock held by such person (or any combination thereof), (iii) loan all amounts contemplated by the proxy statement filed by Arrowroot on or about February 13, 2023, pursuant to which the Arrowroot stockholders approved the extension deadline by which Arrowroot must complete its business combination to July 6, 2023, including any amounts required in connection with any additional extension of such deadline, (iv) contribute the Sponsor Incentive Shares, (v) waive any adjustment to the conversion ratio set forth in the governing documents of ARRW or any other anti-dilution or similar protection with respect to the Class B Common Stock, in each case, on the terms and subject to the conditions set forth in the Sponsor Support Agreement, and (vi) agree to be bound by any restrictions on transfer set forth in ARRW's by-laws, in each case, on the terms and subject to the conditions set forth therein.

The foregoing description of the Sponsor Support Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the Sponsor Support Agreement, the form of which is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

2023 Convertible Note Purchase Agreements

On April 27, 2023, Legacy iLearningEngines entered into a convertible note purchase agreement (the "2023 Convertible Note Purchase Agreement"), with certain investors (collectively, with all investors who may become party to the 2023 Convertible Note Purchase Agreement thereafter, the "2023 Convertible Note Investors"), pursuant to which, among other things, Legacy iLearningEngines issued and sold to the 2023 Convertible Note Investors convertible notes due in October 2025 ("2023 Convertible Notes") with aggregate principal amount of $17,400,000, including to affiliates of the Sponsor. Each 2023 Convertible Note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each 2023 Convertible Note automatically converted into 4,971,076 shares of Legacy iLearningEngines thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares New iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the outstanding principal under such 2023 Convertible Note, plus all accrued and unpaid interest thereon, divided by (ii) $10.00. A description of the 2023 Convertible Notes is included in the Proxy Statement/Prospectus in the section entitled "Certain Arrowroot Relationships and Related Party Transactions — Promissory Notes" beginning on page 261 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

2024 Convertible Note Purchase Agreements

On March 21, 2024, Legacy iLearningEngines entered into the 2024 convertible note purchase agreement (the "2024 Convertible Note Purchase Agreement") with an investor (the "March Investor") pursuant to which, among other things, Legacy iLearningEngines issued and sold a 2024 Convertible Note to the March Investor with an aggregate principal amount of $700,000. On April 16, 2024, Legacy iLearningEngines entered into the 2024 Convertible Note Purchase Agreement, with certain investors (collectively, the "April Investors" and, together with the March Investor, the "2024 Convertible Note Investors"), pursuant to which, among other things, Legacy iLearningEngines issued and sold to the 2024 Convertible Note Investors convertible notes due in October 2026, ("2024 Convertible Notes") with an aggregate principal amount of $29,414,500 (including the initial $700,000 note). Each 2024 Convertible Note accrued interest at a rate of (i) 15% per annum until the aggregate accrued interest thereunder equals 25% of the principal amount of such note, and (ii) 8% per annum thereafter. Immediately prior to the consummation of the Business Combination, each 2024 Convertible Note automatically converted into 8,089,532 shares of Legacy iLearningEngines thereby entitling the holder thereof to receive, in connection with the consummation of the Business Combination, a number of shares New iLearningEngines Common Stock (rounded down to the nearest whole share) equal to (i) 2.75, multiplied by the outstanding principal under such Convertible Note, plus all accrued and unpaid interest thereon, divided by (ii) $10.00. The price per share at which the Principal (as defined in the 2024 Convertible Note Purchase Agreement), together with accrued but unpaid interest, on each 2024 Convertible Note converts into Incentive Shares (as defined in the 2024 Convertible Note Purchase Agreement) is referred to as the "Conversion Price" herein.

In the event that the VWAP (as defined in the 2024 Convertible Note Purchase Agreement) of the New iLearningEngines Common Stock over the ten (10) trading days immediate preceding November 30, 2024 (the "Reference Date") is below the Conversion Price, then the 2024 Convertible Note shall be converted into shares of New iLearningEngines Common Stock, together with a make-whole payment equal to a number of additional Incentive Shares (rounded down to the nearest whole share) equal to (i) the Conversion Price, divided by the Reference Price (as defined below), minus (ii) one (1). "Reference Price" means the greater of (i) the VWAP of the New iLearningEngines Common Stock over the ten (10) trading days immediately preceding the Reference Date and (ii) $1.00. Notwithstanding the foregoing, the maximum number of shares issuable pursuant to the 2024 Convertible Notes shall not exceed 10,000,000 Incentive Shares.

In connection with the issuance of the 2024 Convertible Notes, on March 21, 2024, (i) Legacy iLearningEngines entered into a joinder to the Amended and Restated Registration Rights Agreement with each of the 2024 Convertible Note Investors, and (ii) the 2024 Convertible Note Investors entered into subordination agreements in favor of any holder of senior debt, a form of which is attached hereto as Exhibit 10.31 and incorporated herein by reference.

A description of the 2024 Convertible Notes is included in Supplement No. 3 under the heading "*Recent Developments – 2024 Convertible Notes*", which is incorporated herein by reference.

Sponsor Notes

In connection with the Closing, on April 16, 2024, the Sponsor elected to convert a portion of the principal owed into 460,384 shares. A description of the Promissory Notes is included in the Proxy Statement/Prospectus in the section entitled "*Certain Arrowroot Relationships and Related Party Transactions — Promissory Notes*" beginning on page 261 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

The securities issued in connection with the conversion of the Convertible Sponsor Notes and the 2024 Convertible Notes have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506(c) promulgated thereunder.

Amended and Restated Registration Rights Agreement

On April 16, 2024, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, New iLearningEngines, Arrowroot Acquisition LLC (the "Sponsor"), the independent directors of Arrowroot, and certain former stockholders of Legacy iLearningEngines and certain of their respective affiliates entered into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement"). Pursuant to the Amended and Restated Registration Rights Agreement, the Company agreed to file a registration statement to register for resale, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), certain New iLearningEngines securities that are held by the parties thereto (the "Registrable Securities"). Pursuant to the Amended and Restated Registration Rights Agreement, subject to certain requirements and customary conditions, the Company also grants piggyback registration rights and demand registration rights to the parties thereto, will pay certain expenses related to such registration and will indemnify the parties thereto against certain liabilities related to such registration. The Amended and Restated Registration Rights Agreement will terminate with respect to any party thereto, on the date that such party no longer holds any Registrable Securities. Each 2024 Convertible Note Investor signed a joinder to the Amended and Restated Registration Rights Agreement.

Forward Purchase Agreement

On April 26, 2023, Arrowroot and Polar entered into an agreement ("Forward Purchase Agreement"), pursuant to which, among other things, Arrowroot agreed to purchase up to 2,500,000 shares of Arrowroot Class A Common Stock from Polar at the price equal to the redemption price of the Public Shares at the Closing, plus $0.60 (the "FPA Redemption Price"). In exchange for Arrowroot's purchase of the shares, Polar agreed to waive redemption rights on the shares that Polar owns in connection with the Business Combination. The Forward Purchase Agreement provides that at Closing, Arrowroot would pre-pay to Polar for the forward purchase an amount equal to the Prepayment Amount (as defined in the Forward Purchase Agreement). The scheduled maturity date of the forward transaction is one year from the Closing of the Business Combination (the "Maturity Date"), except that the Maturity Date may be accelerated if the shares trade under $2.00 for 10 out of 30 days or the shares are delisted by Nasdaq. Polar has the right to early terminate the transaction (in whole or in part) before the Maturity Date by delivering notice to Arrowroot. If Polar terminates the Forward Purchase Agreement with respect to some or all of the shares prior to the Maturity Date, Polar will return to Arrowroot the terminated shares and Arrowroot will make a payment equal to the number of such terminated shares multiplied by the FPA Redemption Price. Arrowroot can terminate the Forward Purchase Agreement prior to the redemption deadline if Arrowroot pays Polar a $300,000 break-up fee. On the Maturity Date, if Polar has not terminated the Forward Purchase Agreement in full, then Arrowroot may be required to make a cash payment to Polar equal to the number of shares (less any shares terminated prior to the Maturity Date) multiplied by $0.60, minus the Prepayment Amount.

On February 2, 2024, the Company entered into a Non-Redemption Agreement (the "Non-Redemption Agreement") with Polar to redeem its shares of the Company's Class A common stock (the "Class A Common Stock") at the special meeting of stockholders held on February 2, 2024 (the "Extension Special Meeting"). Pursuant to the Non-Redemption Agreement, Polar agreed not to request redemption of 410,456 shares of Class A Common Stock (the "Non-Redeemed Shares") in connection with the Extension Special Meeting. In consideration of Polar entering into the Non-Redemption Agreement, immediately following the closing of the Company's initial business combination, Arrowroot agreed to forfeit 82,091 shares of Class B common stock (the "Class B Common Stock"), or 41,046 shares of Class B Common Stock in the event the initial business combination is consummated in February 2024 ("Forfeited Shares"). Pursuant to the terms of the Non-Redemption Agreement, the Company agreed to issue Polar and Polar agreed to acquire from the Company, a number of newly issued shares of common stock promptly following the consummation of the Company's initial business combination.

Contingent on the closing of the Business Combination, Polar will purchase a number of shares up to 2,500,000 shares less the Public Shares (defined as number of shares owned by Polar on the day prior to the close of the Business Combination) from Arrowroot for the FPA Redemption Price per share (known as "Private Shares"). The purchase of the Private Shares will close promptly after the closing of the Business Combination. On April 9, 2024, Arrowroot and Polar entered into an agreement to modify the Forward Purchase Agreement, pursuant to which, Polar agreed not to purchase the Private Shares in exchange for $246,600. The agreement is contingent upon and effective immediately prior to the consummation of the Business Combination.

Deferred Underwriting Fee

On March 27, 2024, Arrowroot and Cantor entered into the Fee Reduction Agreement, pursuant to which Cantor has agreed to forfeit $4,062,500 of the deferred underwriting fees payable, resulting in a remainder of $6,000,000 of deferred underwriting fees payable (the "Reduced Deferred Fee") by Arrowroot to Cantor subject to the closing of the Business Combination. The Reduced Deferred Fee shall be payable to Cantor in the form of shares of New iLearningEngines Common Stock in an amount of shares equal to the greater of (i) $6,000,000, divided by $10.00 and (ii) the quotient obtained by dividing (x) $6,000,000 by (y) the VWAP (as defined in the Fee Reduction Agreement) of New iLearningEngines Common Stock over the seven (7) trading days immediately prior to the initial filing of the Resale Registration Statement (as defined in the Fee Reduction Agreement). Under the Fee Reduction Agreement, the combined company will be subject to, among others, certain obligations with respect to the filing of the resale registration statement and maintaining the continued effectiveness of the resale registration statement, and a failure of the combined company to discharge such obligations may result in the ability of Cantor to require the combined company to pay the Reduced Deferred Fee in cash. The Fee Reduction Agreement only applies to the consummation of the Business Combination with iLearningEngines and no other potential business combinations that may be contemplated or consummated by Arrowroot. In the event that Arrowroot does not consummate the Business Combination with iLearningEngines, the original deferred fee shall become due and payable by Arrowroot to Cantor as originally set forth in the Underwriting Agreement, upon the consummation of a business combination. The foregoing description of the Fee Reduction Agreement is not intended to be complete and is qualified in its entirety by reference to the Fee Reduction Agreement, a copy of which is attached as Exhibit 10.36 to this Current Report on Form 8-K and is incorporated herein by reference.

Mizuho Fee Agreement

On June 5, 2020, Mizuho and iLearningEngines entered into a letter agreement (the "Mizuho Engagement Letter") pursuant to which iLearningEngines engaged Mizuho as a financial advisor in connection with the Business Combination. On March 27, 2024, the Company and Mizuho amended the Mizuho Engagement Letter (the "Amended Mizuho Engagement Letter"), to provide that, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses owed under the Mizuho Engagement Letter, the iLearningEngines shall pay (or cause the combined company to pay) Mizuho the $7,500,000 Mizuho Fee in cash or New iLearningEngines Shares, at the sole discretion of the combined company. If iLearningEngines elects to pay the Mizuho Fee in New iLearningEngines Shares, then prior to the issuance of such shares, iLearningEngines has agreed to register such shares on Form S-3 or Form S-1 or any similar long-form registration statement that may be available at such time and to list such shares on the principal national securities exchange on which the New iLearningEngines Shares are then listed and traded. The foregoing description of the Amended Mizuho Engagement Letter is not intended to be complete and is qualified in its entirety by reference to the Amended Mizuho Engagement Letter, a copy of which is attached as Exhibit 10.37 to this Current Report on Form 8-K and is incorporated herein by reference.

BTIG Fee Agreement

On July 25, 2023, BTIG and Arrowroot entered into a letter agreement (the "BTIG Engagement Letter") pursuant to which Arrowroot engaged BTIG as a capital markets advisor in connection with the Business Combination. On March 27, 2024, the BTIG and Arrowroot amended the BTIG Engagement Letter (the "BTIG Amendment"), to provide that, in lieu of payment in cash of the full amount of any advisory fees or other fees and expenses owed under the BTIG Engagement Letter, Arrowroot will pay to BTIG $3,000,000 in advisory fees (the "BTIG Advisory Fee") and BTIG Expenses. The BTIG Expenses will be paid in cash upon the consummation of the Business Combination. The BTIG Advisory Fee will be payable to BTIG in the form of shares of New iLearningEngines Common Stock in an amount of shares equal to the greater of (i) $3,000,000, divided by $10.00 and (ii) the quotient obtained by dividing (x) $3,000,000 by (y) the VWAP (as defined in the BTIG Amendment) of New iLearningEngines Common Stock over the seven (7) trading days immediately prior to the initial filing of the Resale Registration Statement (as defined in the BTIG Amendment). Under the BTIG Amendment, the combined company will be subject to, among others, certain obligations with respect to the filing of the resale registration statement and maintaining the continued effectiveness of the resale registration statement, and a failure of the combined company to discharge such obligations may result in the ability of BTIG to require the combined company to pay the BTIG Advisory Fee in cash. The foregoing description of the BTIG Engagement Letter is not intended to be complete and is qualified in its entirety by reference to the BTIG Engagement Letter, a copy of which is attached as Exhibit 10.38 to this Current Report on Form 8-K and is incorporated herein by reference.

Cooley Fee Agreement

On October 20, 2020, Cooley and Arrowroot entered into a letter agreement (the "Cooley Engagement Letter") pursuant to which Arrowroot engaged Cooley as a law firm in connection with the Business Combination. On March 27, 2024, Cooley and Arrowroot amended the Cooley Engagement Letter (the "Cooley Amendment"), to provide that, Arrowroot will pay to Cooley $2,000,000 in law fees (the "Cooley Deferred Law Fee") in the form of a certain number of shares (the "Cooley Fee Shares"). The Cooley Fee Shares will be issued in the form of shares of New iLearningEngines Common Stock in an amount of shares equal to the greater of (i) $2,000,000, divided by $10.00 and (ii) the quotient obtained by dividing (x) $2,000,000 by (y) the VWAP (as defined in the Cooley Amendment) of New iLearningEngines Common Stock over the seven (7) trading days immediately prior to the initial filing of the Resale Registration Statement (as defined in the Cooley Amendment). Under the Cooley Amendment, the combined company will be subject to, among others, certain obligations with respect to the filing of the resale registration statement and maintaining the continued effectiveness of the resale registration statement.

Accounting Treatment of the Business Combination

The Business Combination is being accounted for as a reverse recapitalization in accordance with GAAP as iLearningEngines has been determined to be the accounting acquirer. Under this method of accounting, while Arrowroot is the legal acquirer, it is treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of iLearningEngines issuing stock for the net assets of Arrowroot, accompanied by a recapitalization. The net assets of Arrowroot are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of iLearningEngines.

iLearningEngines has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- The acquirer usually is the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. iLearningEngines holds majority voting interest (i.e., 50% or more voting interest);

- The acquirer usually is the combining entity whose owners have the ability to elect or appoint or to remove a majority of the members of the governing body of the combined entity. iLearningEngines' existing directors and individuals designated by, or representing, iLearningEngines' existing stockholders will constitute at least three of the potential seven members of the initial New iLearningEngines Board following the consummation of the Business Combination, whereas one member will be designated by Arrowroot and the remainder to be mutually agreed by iLearningEngines and Arrowroot, indicating iLearningEngines' existing directors and individuals will have more influence on the board of directors than Arrowroot;

- The acquirer usually is the combining entity whose former management dominates the management of the combined entity. The representatives of iLearningEngines in the board of directors dominates the management of the combined entity;

- The acquirer usually is the combining entity whose relative size (measured in, for example, assets, revenues, or earnings), is significantly larger than that of the other combining entity or entities. iLearningEngines is larger than Arrowroot based on balance sheet composition as of December 31, 2023, as well as revenues and operating income. Therefore, management determined that iLearningEngines' relative size and scope of business is larger than Arrowroot; and

- New iLearningEngines will continue to operate under the iLearningEngines tradename and the headquarters of New iLearningEngines will be iLearningEngines' existing headquarters and the business combination was initiated by iLearningEngines.

Other factors were considered, including the purpose and intent of the Business Combination, noting that the preponderance of evidence as described above is indicative that iLearningEngines is the accounting acquirer in the Business Combination.

The following summarizes the pro forma shares of common stock of the Post-Combination Company outstanding immediately after the Closing of the Business Combination:

	No. of Shares	%
Former iLearningEngines equity holders	109,684,738	81.3%
Former Arrowroot Class A common stockholders	638,977	0.5%
Convertible Notes[1]	11,551,784	8.6%
WTI Term Loan Modification[3]	4,419,998	3.3%
Sponsor affiliates and certain current and former Arrowroot directors[2]	8,674,617	6.3%
Total shares of New iLearningEngines Common Stock outstanding at Closing	**134,970,114**	**100.0%**

(1) Excludes Convertible Notes held by affiliates of the Sponsor.
(2) Excludes 8,250,000 Private Warrants held by the Sponsor and includes 2,838,916 shares from conversion of Convertible Notes from Arrowroot Capital and 460,384 shares from conversion of Arrowroot Promissory Notes.
(3) Includes 1,019,999 shares subject to cancellation. If the Company repays the Term Loans on or before (i) April 15, 2024, then 90% of the Loan Restructuring Shares will be cancelled, (ii) May 1, 2024, then 80% of the Loan Restructuring Shares will be cancelled, and (iii) July 1, 2024, then 50% of the Loan Restructuring Shares will be cancelled.

The following unaudited pro forma condensed combined balance sheet and statement of operations as of and for the year ended December 31, 2023 are based on the historical financial statements of iLearningEngines and Arrowroot. The unaudited pro forma adjustments are based on information currently available, and assumptions and estimates underlying the unaudited pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2023
(Dollars in Thousands)

	As of December 31, 2023	As of December 31, 2023			As of December 31, 2023
	iLearning Engines, Inc. (Historical)	Arrowroot Acquisition Corp. (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
ASSETS					
Current assets					
Cash	$ 4,763	$ 146	$ 5,667	**b**	$ 24,468
			(11,172)	**d**	
			(4,561)	**e**	
			29,415	**o**	
			210	**p**	
Restricted Cash	2,000	-	-		2,000
Accounts receivable	73,498	-	-		73,498
Contract asset	509	-	-		509
Prepaid expenses	62	48	-		110
Prepaid income tax	-	66	-		66
Total Current assets	80,832	260	19,559		100,651
Non current assets					
Cash and investments held in trust account	-	46,745	(5,667)	**b**	-
			(36,311)	**a**	
			(4,767)	**r**	
Receivable from Technology Partner	13,602	-	-		13,602
Receivable from related party	465	-	-		465
Other assets	729	-	-		729
Deferred tax assets	5,703	-	-		5,703
Deferred transaction costs	3,990	-	(3,990)	**d**	-
Total Non current assets	24,489	46,745	(50,735)		20,499
Total Assets	**$ 105,321**	**$ 47,005**	**$ (31,176)**		**$ 121,150**
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY					-
Current liabilities					
Trade accounts payable	$ 3,753	$ -	$ (3,096)	**d**	$ 657
Accrued expenses	2,982	4,099	18,473	**d**	26,011

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2023
(Dollars in Thousands)

	As of December 31, 2023	As of December 31, 2023			As of December 31, 2023
	iLearning Engines, Inc. (Historical)	Arrowroot Acquisition Corp. (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
			500	h	
			(89)	g	
			46	e	
Current portion of long-term debt, net	10,517	-	(2,101)	q	8,416
Contract liability	2,765	-	-		2,765
Payroll taxes payable	3,037	-	-		3,037
Other current liabilities	116	-	-		116
Excise tax payable	-	2,472	-		2,472
Promissory note - related party	-	2,180	(2,180)	g	-
Forward purchase agreement liability	-	1,500	(1,500)	e	-
Convertible promissory note - related party	-	2,620	(2,620)	h	-
Total Current liabilities	23,170	12,871	7,433		43,474
Non Current liabilities					-
Long-term debt, net	10,679	-	3,815	q	14,494
Convertible notes	31,547	-	(31,547)	f	-
Warrant liability	11,870	1,810	(1,150)	i	660
			(11,870)	q	
Payable to Technology Partner	49,163	-	-		49,163
Other non-current liabilities	74	-	-		74
Deferred underwriting fee payable	-	10,063	(4,063)	c	6,000
Derivative Liability	-	-	246	e	246
Total Non Current liabilities	103,333	11,873	(44,569)		70,637
Total Liabilities	**$ 126,503**	**$ 24,744**	**$ (37,136)**		**$ 114,111**
Commitments and Contingencies					-
Class A common stock subject to possible redemption, $ 0.0001 par value	-	46,745	(5,667)	j	-

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2023
(Dollars in Thousands)

	As of December 31, 2023	As of December 31, 2023			As of December 31, 2023
	iLearning Engines, Inc. (Historical)	Arrowroot Acquisition Corp. (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
			(36,311)	a	
			(4,767)	r	
Total Commitments and Contingencies	**-**	**46,745**	**(46,745)**		**-**
SHAREHOLDERS' (DEFICIT) EQUITY					-
					-
Preferred stock, $ 0.0001 par value	-	-	-		-
Common Shares: $ 0.0001 par value	10	-	1	f	14
			1	k	
			1	m	
			1	o	
Class A common stock, $ 0.0001 par value	-	-	-		-
Class B common stock, $ 0.0001 par value	-	1	(1)	k	-
Additional paid-in capital	36,384	-	(26,485)	d	140,209
			2,120	h	
			2,180	g	
			17,400	f	
			1,150	i	
			5,667	j	
			(24,485)	l	
			(1)	m	
			28,662	n	
			29,414	o	
			210	p	
			67,993	q	
Prepaid Forward Purchase Agreement	-	-	(4,314)	e	(4,314)
Accumulated deficit	(57,576)	(24,485)	4,063	c	(128,870)
			(4,054)	d	
			89	g	
			961	e	
			14,146	f	
			24,485	l	
			(28,662)	n	
			(57,837)	q	
Total Shareholders' (Deficit) Equity	**(21,182)**	**(24,484)**	**52,705**		**7,039**
Total Liabilities and Shareholders' (Deficit) Equity	**$ 105,321**	**$ 47,005**	**$ (31,176)**		**$ 121,150**

See accompanying notes to unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATION

For the year ended December 31, 2023
(Dollars in Thousands)

	For the Year ended December 31, 2023 iLearning Engines, Inc. (Historical)	For the Year ended December 31, 2023 Arrowroot Acquisition Corp. (Historical)	Transaction Accounting Adjustments		For the Year ended December 31, 2023 Pro Forma Combined
Revenue	$ 420,582	$ -	$ -		$ 420,582
Cost of revenue	132,154	-	-		132,154
Gross profit	**288,428**	**-**	**-**		**288,428**
Operating expenses					
Selling, general, and administrative expenses	140,897	5,488	(240)	aa	192,665
			46,731	bb	
			(4,063)	kk	
			3,852	cc	
Research and development expenses	128,544	-	-		128,544
Total Operating expenses	269,441	5,488	46,280		321,209
Operating income	**18,987**	**(5,488)**	**(46,280)**		**(32,781)**
Interest expense	(6,274)	(89)	89	ee	(3,451)
			4,612	dd	
			(1,789)	mm	
Change in fair value of warrant liability	(771)	(1,700)	1,080	ff	(620)
			771	gg	
Change in fair value of convertible notes	(14,147)	-	14,147	hh	-
Change in fair value of forward purchase agreement	-	(1,500)	1,500	ll	-
Loss on Forward Purchase Agreement	-	-	(246)	ll	(246)
Interest earned on cash and investments held in Trust Account	-	3,493	(3,493)	ii	-
Other income	(45)	-	-		(45)
Gain (Loss) on Loan Extinguishment	-	-	(57,836)	mm	(57,836)
Net loss before income tax expense	**(2,250)**	**(5,284)**	**(87,445)**		**(94,979)**
Income tax (expense) benefit	(2,157)	(565)	19,675	jj	16,908
			(46)	ll	
Net loss	**$ (4,407)**	**$ (5,849)**	**$ (67,816)**		**$ (78,071)**
Net loss per common share – basic and diluted	$ (0.05)	$ -	-		$ (0.58)
Weighted average common shares outstanding – basic and diluted	95,782,605	-	-		133,950,115
Net loss per share, Class A common stock – basic and diluted	-	$ (0.37)	-		-
Weighted average shares outstanding of Class A common stock – basic and diluted	-	8,574,195	-		-
Net loss per share, Class B common stock – basic and diluted	-	$ (0.37)	-		-
Weighted average shares outstanding of Class B common stock – basic and diluted	-	7,187,500	-		-

See accompanying notes to unaudited pro forma condensed combined financial information.

Amended Disclosure Regarding Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1. Basis of Presentation

The Business Combination is being accounted for as a reverse recapitalization in accordance with GAAP as iLearningEngines has been determined to be the accounting acquirer, primarily due to the fact that iLearningEngines will control New iLearningEngines. Under this method of accounting, while Arrowroot is the legal acquirer, it is treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of iLearningEngines issuing stock for the net assets of Arrowroot, accompanied by a recapitalization. The net assets of Arrowroot are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of iLearningEngines.

The following unaudited pro forma condensed combined balance sheet as of December 31, 2023, assumes that the Business Combination occurred on December 31, 2023. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 present pro forma effect to the Business Combination as if it had been completed on January 1, 2023.

The unaudited pro forma condensed combined balance sheet as of December 31, 2023 and unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 have been prepared using, and should be read in conjunction with, the following:

- iLearningEngines' audited consolidated balance sheet as of December 31, 2023 and the related notes as of December 31, 2023, included elsewhere in this Form 8-K.
- Arrowroot's audited consolidated balance sheet as of December 31, 2023 and the related notes as of December 31, 2023, incorporated by reference elsewhere in this Form 8-K, refer to the Arrowroot's 10-K filed on April 1, 2024.
- iLearningEngines' audited consolidated statement of operations for the year ended December 31, 2023 and the related notes, included elsewhere in this Form 8-K.
- Arrowroot's audited consolidated statement of operations for the year ended December 31, 2023 and the related notes, incorporated by reference elsewhere in this Form 8-K, refer to the Arrowroot's 10-K filed on April 1, 2024.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings or cost savings that may be associated with the Business Combination.

The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible the difference may be material. New iLearningEngines believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination based on information available to management at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The pro forma above reflect the basis the minimum cash condition has been waived as of the Closing Date.

Note 2. Accounting Policies

Upon consummation of the Business Combination, management will perform a comprehensive review of the two entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of New iLearningEngines. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

Note 3. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Business Combination and has been prepared for informational purposes only.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." Release No. 33-10786 replaces the existing pro forma adjustment criteria with simplified requirements to depict the accounting for the transaction ("Transaction Accounting Adjustments") and present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). New iLearningEngines has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the following unaudited pro forma condensed combined financial information.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had New iLearningEngines filed consolidated income tax return during the year ended December 31, 2023.

The adjustments included in the unaudited pro forma condensed combined balance sheet as of December 31, 2023, are as follows:

(a) Reflects the reduction of $36.3 million of cash and cash equivalents held in the Trust Account, due to the redemption of 3,428,783 shares on February 2, 2024.

(b) Reflects the reclassification of $5.7 million of cash and cash equivalents held in the Trust Account at the balance sheet date that becomes available to fund the Business Combination.

(c) Reflects the fee reduction of $4.1 million in deferred underwriting fees. The remaining balance represents a deferred equity payment and is classified as a liability at Closing.

(d) Represents incurred and estimated transaction costs inclusive of advisory, banking, printing, legal and accounting fees as follows: (1) $11.2 million net cash paid at Closing, (2) settlement of $4.0 million deferred transaction cost at Closing, (3) settlement of $3.1 million accounts payable paid at Closing, (4) $18.4 million net accrued expenses consisting of $18.9 million new transaction costs not paid at Closing, $2.2 million income tax accrued at closing, $2.7 million historical accrued transaction costs paid, (5) $26.5 million equity issuance costs (does not include $4.1 million deferred underwriting fees in Note (c) treated as a reduction to additional paid-in capital, and (6) $4.1 million expensed at Closing. As of December 31, 2023, $5.0 million and $2.4 million transaction costs were expensed by iLearningEngines and Arrowroot.

(e) Represents changes due to Polar's Forward Purchase Agreement and Non-Redemption Agreement as follows: (1) $4.6 million of cash prepayment amount to Polar ($0.2 million payment as consideration towards removal of private shares from the Forward Purchase Agreement), (2) recognition of $0.2 million related derivative liability (3) recognition of $0.1 million from 1% excise tax liability, (4) elimination of $1.5 million prepaid Forward Purchase Agreement from exercise of the agreement and (5) 82,091 incentive shares are transferred from Class B Common Stock to Polar (Class A Common Stock).

(f) Represents conversion of the Convertible Notes to 4,971,076 shares of New iLearningEngines Common Stock and a reversal of change in fair value of Convertible Notes of $14.1 million. Total outstanding principal amount of $17.4 million, multiplied by 2.75, and estimated accrued interest expense of $1.9 million at Closing are convertible into New iLearningEngines Common Stock at $10.00 per share.

(g) Represents conversion of Arrowroot's $0.5 million Second Promissory Note, $1.2 million Fourth Promissory Note, and an additional $0.5 million Third Promissory Note, and, into New iLearningEngines Common Stock at $10.00 per share. Notwithstanding the original terms the Promissory Notes, Arrowroot and iLearningEngines have agreed to settle the all Promissory Notes (including those in adjustment (g)) through a combination of 460,384 shares of New iLearningEngines Common Stock issued at close and a $0.5 million deferred cash payment

(h) Represents (1) conversion of Arrowroot's $1.5 million First Promissory Note and $1.1 million Third Promissory Note draw into New iLearningEngines Common Stock at $10.00 per share and (2) accrued expense of $0.5 million deferred payment of promissory notes. Notwithstanding the original terms the Promissory Notes, Arrowroot and iLearningEngines have agreed to settle the all Promissory Notes (including those in adjustment (g)) through a combination of 460,384 shares of New iLearningEngines Common Stock issued at close and a $0.5 million deferred cash payment

(i) Represents the reclassification of Arrowroot's Public Warrants from liability to equity classification upon Closing.

(j) Represents the reclassification of Arrowroot Class A Common Stock subject to a redemption to permanent equity.

(k) Represents the reclassification of Arrowroot Class B Common Stock to New iLearningEngines Common Stock in conjunction with the Business Combination.

(l) Reflects the reclassification of Arrowroot historical accumulated deficit to additional paid-in-capital in connection with the consummation of the Business Combination.

(m) Reflects the conversion of shares of iLearningEngines Common Stock of 95,782,605, shares of iLearningEngines Restricted Stock of 40,243,678, iLearningEngines RSUs of 7,138,438, and In2vate, LLC's deferred consideration of 34,030 shares iLearningEngines Common Stock to New iLearningEngines Common Stock at a conversion rate of 0.80615. The New iLearningEngines Common Stock is issued to the shareholders in accordance with the Merger Consideration upon the Closing of the Business Combination.

(n) Reflects the balance sheet adjustment of the stock-based compensation charge related to 360,290 shares of iLearningEngines Restricted Stock and 7,401,061 iLearningEngines RSUs that are vested upon the Closing of the Business Combination. The shares of New iLearningEngines Common Stock related to those RSUs will be issued at a subsequent date.

(o) Represents conversion of the 2024 Convertible Notes to 8,089,532 shares of New iLearningEngines Common Stock. Total outstanding principal amount at transaction date was $29.4 million multiplied by 2.75 at Closing to determine number of New iLearningEngines Common Stock at $10.00 per share.

(p) Reflects the additional draw of $0.2 million in Third and Fourth Arrowroot Promissory Notes after December 31, 2023, and the conversion of the Notes into New iLearningEngines Common Stock at $10.00 per share.

(q) Represents the amendment to the Venture Lending & Leasing IX, Inc. loan documents and settlement of the warrant liability in New iLearningEngines Common Stock. Management is analyzing the technical accounting impact of the agreement amendment and adjustments in the pro forma only represent estimates which are subject to change.

(r) Reflects the public shares redemption of 460,144 of Arrowroot for aggregate redemption payments of $4.8 million allocated to New iLearningEngines Common Stock and additional paid-in capital using par value of $0.0001 per share at a redemption price of $10.36 per share.

The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023, are as follows:

(aa) Reflects the elimination of the Arrowroot administrative service fee paid to the Sponsor that will cease upon the close of the business combination.

(bb) Reflects incremental stock-based compensation expense related to shares of iLearningEngines Restricted Stock and iLearningEngines RSUs. 32,151,912 shares of iLearningEngines Restricted Stock issued to the founders will vest over ten years starting the Closing Date, 360,290 shares of iLearningEngines Restricted Stock issued to a former employee are vested at the Closing Date, 1,200,000 units of New iLearningEngines RSUs, and 7,138,438 units of iLearningEngines RSUs are vested over four years with one-year cliff starting the employee employment date, of which 7,040,771 and 97,667 units will be vested and unvested as of the Closing Date, respectively. The compensation charge is reflected as if the shares of restricted stock and RSUs were vested as of January 1, 2023, the date the Business Combination occurred for purposes of the unaudited pro forma condensed combined statement of operations. $28.7 million is expensed as a day one expense for shares vested upon the Closing Date, $18.1 million is expensed for the shares vested over the pro forma period ended December 31, 2023.

(cc) Reflects the total transaction costs incurred and recorded as an expense in relation to the Business Combination. Transaction costs are reflected as if incurred on January 1, 2023, the date the Business Combination occurred for the purposes of the unaudited pro forma condensed combined statement of operations. Refer to balance sheet adjustment (d).

(dd) Represents an adjustment to eliminate interest expense after giving effect to the extinguishment of term loan at closing as if it had occurred on January 1, 2023. Refer to balance sheet adjustment (q).

(ee) Reflects the elimination of interest expense accrued on Promissory Notes converted to New iLearningEngines Common Stock at Closing. Refer to balance sheet adjustment (g).

(ff) Reflects the elimination of change in fair value of warrant liability related to Arrowroot's Public Warrants, which are reclassified to equity from liability classification upon Closing. Refer to balance sheet adjustment (i). Arrowroot's Private Warrants will stay liability classified.

(gg) Reflects the elimination of change in fair value of warrant liability related to iLearningEngines' Warrants, which are exchanged for New iLearningEngines Common Stock.

(hh) Reflects the elimination of change in fair value of Convertible Notes that are converted into New iLearningEngines Common Stock upon Closing. Refer to balance sheet adjustment (f).

(ii) Reflects the elimination of interest income on the cash and investments held in Trust Account.

(jj) Reflects the estimated income tax impact related to the pro forma adjustments based upon a blended statutory rate.

(kk) Reflects the fee reduction of $4.1 million in deferred underwriting fees. Refer to balance sheet adjustment (c).

(ll) Reflects the (1) recognition of $0.2 million related derivative liability, (2) recognition of $0.1 million from 1% excise tax liability for Forward Purchase Agreement and (3) elimination of $1.5 million change in fair value of the Forward Purchase Agreement from exercise of the agreement. Refer to balance sheet adjustment (e).

(mm) Represents the income statement impact of the amendment to the Venture Lending & Leasing IX, Inc. loan documents and settlement of the warrant liability in New iLearningEngines Common Stock. Management is analyzing the technical accounting impact of the agreement amendment and adjustments in the pro forma only represent estimates which are subject to change.

Note 4. Pro Forma Loss per Share

Represents the net loss per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination, assuming the shares were outstanding since January 1, 2023. As the Business Combination and related transactions are being reflected as if they had occurred as of January 1, 2023, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Business Combination have been outstanding for the year ended December 31, 2023.

(in thousands, except share and per share data)	**Year ended December 31, 2023**
Pro forma net loss	$ (78,071)
Weighted-average shares outstanding, basic and diluted [(1)(2)]	133,950,115
Net loss per share attributable to common stockholders, basic and diluted	$ (0.58)

(1) As the outstanding 14,374,975 shares of Public Warrants and 8,250,000 shares of Private Warrants are out-of-the-money and including them would have an anti-dilutive effect under the treasury stock method, they were excluded from the computation of diluted loss per share.

(2) 32,151,912 shares of restricted stock and 6,954,620 RSUs will be outstanding for New iLearningEngines at Closing are excluded from the calculations as their inclusion would be anti-dilutive.