# 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): December 14, 2023**

# Banzai International, Inc.
**(Exact name of registrant as specified in its charter)**

| **Delaware** | **001-39826** | **85-3118980** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

| | |
|---|---|
| **435 Ericksen Ave, Suite 250**<br>**Bainbridge Island, Washington**<br>**(Address of Principal Executive Offices)** | **98110**<br>**(Zip Code)** |

**Registrant's telephone number, including area code: (206) 414-1777**

**(Former name or former address, if changed since last report)**

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

☐ 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 |
|---|---|---|
| Class A common stock, par value $0.0001 per share | BNZI | The Nasdaq Global Market |
| Redeemable Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50 | BNZIW | The 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

On December 14, 2023 (the "Closing Date"), Banzai International, Inc., a Delaware corporation (the "Company") (f/k/a 7GC & Co Holdings Inc. ("7GC")), consummated the previously announced business combination (the "Business Combination") with Legacy Banzai (as defined below) (the "Closing"), pursuant to that certain Agreement and Plan of Merger and Reorganization (the "Original Merger Agreement"), dated as of December 8, 2022, by and among 7GC, Banzai Operating Co LLC (f/k/a Banzai International, Inc.), a Delaware corporation ("Legacy Banzai"), 7GC Merger Sub I, Inc., a Delaware corporation and an indirect wholly owned subsidiary of 7GC ("First Merger Sub"), and 7GC Merger Sub II, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of 7GC ("Second Merger Sub"), as amended by the Amendment to Agreement and Plan of Merger, dated as of August 4, 2023, by and between 7GC and Legacy Banzai (the "Amendment" and together with the Original Merger Agreement, the "Merger Agreement"). The Company's stockholders approved the Business Combination at a special meeting of stockholders concluded on December 13, 2023 (the "Special Meeting"). In connection with the Special Meeting and the Business Combination, holders of 3,207,428 shares of 7GC's Class A common stock, par value $0.0001 per share ("7GC Class A Common Stock"), exercised their right to redeem their shares for cash at a redemption price of approximately $10.76 per share, for an aggregate redemption amount of $34,524,065.39.

Pursuant to the terms of the Merger Agreement, a business combination between 7GC and Legacy Banzai was effected through (a) the merger of First Merger Sub with and into Legacy Banzai, with Legacy Banzai surviving as a wholly-owned subsidiary of 7GC (Legacy Banzai, in its capacity as the surviving corporation of the merger, the "Surviving Corporation") (the "First Merger") and (b) the subsequent merger of the Surviving Corporation with and into Second Merger Sub, with Second Merger Sub being the surviving entity of the Second Merger, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC (the "Second Merger" and, together with the First Merger, the "Mergers"). On the Closing Date, the Company changed its name from 7GC & Co. Holdings Inc. to Banzai International, Inc.

Immediately prior to the effective time of the First Merger (the "First Effective Time"), each share of Legacy Banzai's Series A preferred stock (the "Banzai Preferred Stock") that was issued and outstanding was automatically converted into one share of Legacy Banzai's Class A common stock, par value $0.0001 per share (the "Banzai Class A Common Stock") in accordance with the Amended and Restated Certificate of Incorporation of Legacy Banzai, such that each converted share of Banzai Preferred Stock was no longer outstanding and ceased to exist, and each holder of shares of Banzai Preferred Stock thereafter ceased to have any rights with respect to such securities.

At the First Effective Time, by virtue of the First Merger and without any action on the part of 7GC, First Merger Sub, Legacy Banzai or the holders of any of the following securities:

(a) each outstanding share of Banzai Class A Common Stock, including the shares of Banzai Class A Common Stock from the conversion of the Banzai Preferred Stock described above, and each outstanding share of Legacy Banzai's Class B common stock, par value $0.0001 per share (the "Banzai Class B Common Stock" and together with Banzai Class A Common Stock, "Banzai Common Stock"), (in each case, other than dissenting shares and any shares held in the treasury of Legacy Banzai) was cancelled and converted into the right to receive a number of shares of the Company's Class A Common Stock ("New Banzai Class A Shares") or a number of shares of the Company's Class B common stock, par value $0.0001 per share ("New Banzai Class B Shares" and, collectively with the New Banzai Class A Shares, the "New Banzai Common Stock"), respectively, equal to (x) the Per Share Value (as defined below) divided by (y) $10.00 (the "Exchange Ratio");

(b) (1) each option to purchase Banzai Class A Common Stock ("Banzai Option"), whether vested or unvested, that was outstanding immediately prior to the First Effective Time and held by any securityholders of Legacy Banzai immediately prior to the First Effective Time (each, a "Pre-Closing Holder") who was providing services to Legacy Banzai immediately prior to the First Effective Time (a "Pre-Closing Holder Service Provider"), was assumed and converted into an option (a "New Banzai Option") to purchase New Banzai Class A Shares, calculated in the manner set forth in the Merger Agreement; and (2) the vested portion of each Banzai Option that was outstanding at such time and held by a Pre-Closing Holder who was not then providing services to Legacy Banzai (a "Pre-Closing Holder Non-Service Provider") was assumed and converted into a New Banzai Option to purchase New Banzai Class A Shares, calculated in the manner set forth in the Merger Agreement;

(c) each right of each SAFE investor to receive a portion of the Total Consideration (as defined below) pursuant to certain Simple Agreements for Future Equity ("each, a "SAFE Agreement") that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right to receive a number of New Banzai Class A Shares (each, a "SAFE Right") equal to (i) the Purchase Amount as defined in the applicable SAFE Agreement that governed such SAFE Right (the "SAFE Purchase Amount") in respect of such SAFE Right divided by the Valuation Cap Price as defined in each SAFE Agreement in respect of such SAFE Right multiplied by (ii) the Exchange Ratio; and

(d) each Subordinated Convertible Note set forth in Section 1.1(a) of Legacy Banzai's disclosure schedules to the Merger Agreement (the "Subordinated Convertible Notes") that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right to receive a number of New Banzai Class A Shares equal to (i) all of the outstanding principal and interest in respect of such Subordinated Convertible Note, divided by the quotient obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in and determined pursuant to the terms of such Subordinated Convertible Note) in respect of such Subordinated Convertible Note, multiplied by (ii) the Exchange Ratio.

(e) "Per Share Value" equals (i) an amount equal to $100,000,000, payable in New Banzai Class A Shares or New Banzai Class B Shares, as applicable (the "Total Consideration"), divided by (ii) (A) the total number of shares of Banzai Common Stock issued and outstanding as of immediately prior to the First Effective Time, (B) the maximum aggregate number of shares of Banzai Class A Common Stock issuable upon full exercise of Banzai Options issued, outstanding, and vested immediately prior to the First Effective Time, (C) the maximum aggregate number of shares of Banzai Class A Common Stock issuable upon conversion of certain senior convertible notes outstanding as of immediately prior to the First Effective Time at the applicable conversion price, (D) the maximum aggregate number of shares of Banzai Class A Common Stock issuable upon conversion of all of the outstanding principal and interest under the Subordinated Convertible Notes as of immediately prior to the First Effective Time at the applicable conversion price, and (E) the maximum aggregate number of shares of Banzai Class A Common Stock issuable upon conversion of the SAFE Purchase Amount under each SAFE Right as of immediately prior to the First Effective Time at the applicable SAFE Conversion Price.

At the effective time of the Second Merger (the "Second Effective Time"), by virtue of the Second Merger and without any action on the part of 7GC, Surviving Corporation, Second Merger Sub or the holders of any securities of 7GC or the Surviving Corporation or the Second Merger Sub, each share of common stock of the Surviving Corporation issued and outstanding or received immediately prior to the Second Effective Time was cancelled and extinguished, and no consideration was delivered therefor.

A description of the Business Combination and the material terms of the Merger Agreement are included in the final prospectus and definitive proxy statement, dated November 13, 2023 (the "Proxy Statement/Prospectus"), filed by the Company with the Securities and Exchange Commission (the "SEC") in the section entitled "*Stockholder Proposal No. 1—The Business Combination Proposal*" beginning on page 92 of the Proxy Statement/Prospectus.

The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by the full text of the Original Merger Agreement and Amendment, copies of which are attached hereto as Exhibit 2.1 and Exhibit 2.2, respectively, which are incorporated herein by reference.

As previously disclosed in the Proxy Statement/Prospectus, 7GC entered into an engagement letter (the "Cohen Engagement Letter") with J.V.B Financial Group, LLC acting through its Cohen & Company Capital Markets Division ("Cohen"), pursuant to which 7GC engaged Cohen to act as its capital markets advisor in connection with seeking extension of the date by which 7GC was required to consummate its initial business combination and in connection with an initial business combination with an unaffiliated third party, as well as to act as placement agent, on a non-exclusive basis, in connection with any private placement of equity, convertible and/or debt securities or other capital or debt raising transaction in connection with an initial business combination, in

exchange for the right to receive (x) an advisory fee of approximately 125,000 shares of 7GC's Class B Common Stock, par value $0.0001 per share ("7GC Class B Common Stock" and together with 7GC Class A Common Stock, the "7GC Common Stock"), in connection with a successful extension, payable by 7GC's sponsor, 7GC & Co. Holdings LLC (the "Sponsor"), at closing of an initial business combination, and (y) a transaction fee in connection with any such offering. Pursuant to the Cohen Engagement Letter, the Sponsor expects to transfer to Cohen approximately 125,000 shares of 7GC Class B Common Stock following the Closing.

As previously disclosed in the Current Report on Form 8-K filed by the Company with the SEC on June 22, 2023, on June 22, 2023, 7GC and the Sponsor entered into certain non-redemption agreements (the "Non-Redemption Agreements") with certain unaffiliated third parties in exchange for such parties agreeing either not to request redemption, or to reverse any previously submitted redemption demand, with respect to an aggregate of 396,501 shares of 7GC Class A Common Stock sold in 7GC's initial public offering (the "IPO"), in connection with a special meeting called by 7GC to, among other things, approve an amendment to 7GC's amended and restated certificate of incorporation (the "Extension Amendment") to extend the date by which the Company was required to (i) consummate an initial business combination, (ii) cease all operations except for the purpose of winding up, and (iii) redeem or repurchase 100% of the 7GC Class A Common Stock included as part of the units sold in the IPO, from June 28, 2023 to December 28, 2023 (the "Extension"). In consideration of the foregoing agreement, immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 396,501 shares of 7GC Class B Common Stock and (ii) the Company issued to such parties 396,501 shares of New Banzai Class A Shares.

The foregoing description of the Non-Redemption Agreements is a summary only and is qualified in its entirety by the full text of the Non-Redemption Agreements, a form of which is attached hereto as Exhibit 10.1, which is incorporated herein by reference.

As previously disclosed in the Current Report on Form 8-K filed by the Company with the SEC on August 7, 2023, on August 4, 2023, 7GC, the Sponsor and Legacy Banzai entered into a Sponsor Forfeiture Agreement (the "Sponsor Forfeiture Agreement"), pursuant to which, contingent upon Closing, the Sponsor agreed to forfeit all 7,350,000 of its private placement warrants to purchase shares of 7GC Class A Common Stock, exercisable at $11.50 per share (the "Forfeited Private Placement Warrants"), acquired by the Sponsor in December 2020 in connection with the IPO. At the Closing, the Forfeited Private Placement Warrants were transferred from the Sponsor to 7GC for cancellation in exchange for no consideration, and 7GC retired and cancelled all of the Forfeited Private Placement Warrants.

The foregoing description of the Sponsor Forfeiture Agreement is a summary only and is qualified in its entirety by the full text of the Sponsor Forfeiture Agreement, a copy of which is attached hereto as Exhibit 10.2, which is incorporated herein by reference.

As previously disclosed in the Current Report on Form 8-K filed by the Company with the SEC on December 18, 2023, on December 14, 2023, the Company entered into a standby equity purchase agreement (the "SEPA") with Legacy Banzai and YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP ("Yorkville"). Pursuant to the SEPA, subject to certain conditions, the Company shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to $100 million of New Banzai Class A Shares, at the Company's request any time during the commitment period commencing on the date following (x) repayment of Pre-paid Advance (as defined below) and (y) effectiveness of a resale registration statement (such registration statement(s), a "Resale Registration Statement") filed with the Securities and Exchange Commission (the "SEC") for the resale under the Securities Act of 1933, as amended (the "Securities Act"), by Yorkville of the New Banzai Class A Shares issued under the SEPA (excluding the 300,000 New Banzai Class A Shares issued pursuant to the SEPA) and terminating on the 36-month anniversary of the SEPA.

In connection with the execution of the SEPA, the Company paid a structuring fee (in cash) to Yorkville in the amount of $35,000. Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing such number of shares of Legacy Banzai Class A Common Stock such that upon the Closing, Yorkville received 300,000 New Banzai Class A Shares (the "Closing Shares") as a holder of Legacy Banzai Class A Common Stock, and (b) the Company agreed to pay a commitment fee of $500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or New Banzai Class A Shares through an Advance.

Additionally, Yorkville agreed to advance to the Company, in exchange for convertible promissory notes (each, a "Promissory Note" and, together, the "Promissory Notes"), an aggregate principal amount of up to $3.5 million (the "Pre-Paid Advance"), $2.0 million of which was funded at the Closing in exchange for the issuance by the Company of a Promissory Note (the "First Promissory Note") and $1.5 million of which (the "Second Tranche") will be funded upon the effectiveness of a Resale Registration Statement; provided that if at the time of the initial filing of such registration statement, shares issuable under the Exchange Cap multiplied by the closing price on the day prior to such filing is less than $7.0 million (i.e., 2x coverage of the Pre-Paid Advance), the Second Tranche will be further conditioned upon the Company obtaining stockholder approval to exceed the Exchange Cap. The First Promissory Note was issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

The foregoing description of the SEPA is a summary only and is qualified in its entirety by the full text of the SEPA, a copy of which is attached hereto as Exhibit 10.3, which is incorporated herein by reference.

Also on December 14, 2023, in connection with the SEPA, the Company entered into a Registration Rights Agreement with Yorkville (the "Registration Rights Agreement"), pursuant to which the Company shall file, within 21 days following the Closing, a Resale Registration Statement with the SEC for the resale under the Securities Act by Yorkville of the New Banzai Class A Shares issued under the SEPA pursuant to an Advance requested to be included in such Resale Registration Statement. The Company agreed to use commercially reasonable efforts to have such Resale Registration Statement declared effective within 60 days of such filing and to maintain the effectiveness of such Resale Registration Statement. The Company shall not have the ability to request any Advances until such Resale Registration Statement is declared effective by the SEC.

The foregoing description of the Registration Rights Agreement is a summary only and is qualified in its entirety by the full text of the Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.4, which is incorporated herein by reference.

On December 13, 2023, in connection with the Business Combination, 7GC and the Sponsor entered into a share transfer agreement (the "December Share Transfer Agreement') with Alco Investment Company ("Alco"), pursuant to which for each $10.00 in principal borrowed under the New Alco Note (as defined below), the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three New Banzai Class A Shares, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 600,000. On October 3, 2023 and November 16, 2023, 7GC, the Sponsor, and Alco also entered into share transfer agreements, pursuant to which the Sponsor agreed to forfeit an aggregate of 225,000 shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive 225,000 New Banzai Class A Shares at (and contingent upon) the Closing (such share transfer agreements together with the December Share Transfer Agreement, the "Share Transfer Agreements'). Alco is subject to a 180-day lock-up period with respect to such New Banzai Class A Shares pursuant to the Share Transfer Agreements, subject to customary exceptions. Additionally, in connection with the December Share Transfer Agreement, (a) Legacy Banzai issued a new subordinated promissory note (the "New Alco Note") to Alco in the aggregate principal amount of $2.0 million, which will bear interest at a rate of 8% per annum and will be due and payable on December 31, 2024, and (b) Legacy Banzai, Alco, and CP BF Lending, LLC agreed to amend that certain Subordinated Promissory Note issued by Legacy Banzai to Alco on September 13, 2023 in the aggregate principal amount of $1.5 million to extend the maturity date from January 10, 2024 to September 30, 2024. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 825,000 shares of 7GC Class B Common Stock and (ii) the Company issued to Alco 825,000 New Banzai Class A Shares pursuant to the Share Transfer Agreements.

The foregoing description of the December Share Transfer Agreement is a summary only and is qualified in its entirety by the full text of the December Share Transfer Agreement, a copy of which is attached hereto as Exhibit 10.5, which is incorporated herein by reference.

On December 12, 2023, Legacy Banzai and GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, "GEM") entered into a binding term sheet, and on December 14, 2023, Legacy Banzai and GEM entered into a letter of understanding (the "GEM Letter"), agreeing to terminate in its entirety the Share Purchase Agreement dated May 27, 2022 (the "GEM Agreement"), by and between Legacy Banzai and GEM, other than with respect to the Company's obligation (as the post-combination company in the Business Combination) to issue to GEM a warrant (the "GEM Warrant") granting the right to purchase New Banzai Class A Shares in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a $2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing.

At Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant granting GEM the right to purchase 828,533 shares at an exercise price of $6.49 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the Effective Time, the GEM Warrant has not been exercised in full and the average closing price per New Banzai Class A Share for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of New Banzai Class A Shares for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of New Banzai Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of common stock, or securities convertible into or exercisable or exchange for, shares of common stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such common stock or other securities.

As previously disclosed in the Current Report on Form 8-K filed by the Company with the SEC on December 13, 2023, on December 12, 2023, in connection with the Business Combination, the Sponsor came to a non-binding agreement with 7GC to amend the optional conversion provision of that certain (i) unsecured promissory note, dated as of December 21, 2022, issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to $2,300,000 from the Sponsor, and (ii) unsecured promissory note, dated as of October 3, 2023, issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to $500,000 from the Sponsor (together, the "7GC Promissory Notes"), to provide that 7GC has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily VWAP of the Class A Common Stock for the 30 trading days following the Closing.

The foregoing descriptions of the GEM Warrant and GEM Letter are summaries only and are qualified in their entirety by the full text of the GEM Warrant and GEM Letter, copies of which are attached hereto as Exhibit 4.7 and Exhibit 4.8, respectively, which are incorporated herein by reference.

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

**Amended and Restated Registration Rights Agreement**

In connection with the Business Combination, on the Closing Date, that certain Registration Rights Agreement, dated December 22, 2020, by and among 7GC, the Sponsor and certain securityholders of 7GC was amended and restated and certain persons and entities receiving shares of New Banzai Common Stock pursuant to the Business Combination entered into the Amended and Restated Registration Rights Agreement (the "A&R Registration Rights Agreement"). The terms of the A&R Registration Rights Agreement are described in the Proxy Statement/Prospectus in the section entitled "*Stockholder Proposal No. 1—The Business Combination Proposal—Summary of the Ancillary Agreements—Amended and Restated Registration Rights Agreement*" beginning on page 106 of the Proxy Statement/Prospectus.

The foregoing description of the A&R Registration Rights Agreement is qualified in its entirety by the full text of the A&R Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.6 and incorporated herein by reference.

**Lock-Up Agreements**

In connection with the Business Combination, the Company and certain stockholders and executives of Legacy Banzai, including Legacy Banzai's officers, directors, and certain holders of 10% or more of the outstanding shares of Legacy Banzai Common Stock as of the date of the Merger Agreement, entered into Lock-Up Agreements effective as of the Closing Date (each, a "Lock-Up Agreement"). The terms of the Lock-Up Agreements provide for the New Banzai Common Stock held by such signatory holders as of immediately after the Effective Time to be locked-up for a period of 180 days after the Closing Date, subject to certain exceptions, and are described in the

Proxy Statement/Prospectus in the section entitled "*Stockholder Proposal No. 1—The Business Combination Proposal— Summary of the Ancillary Agreements —Lock-Up Agreements*" beginning on page 107 of the Proxy Statement/Prospectus.

The foregoing description of the Lock-Up Agreements is qualified in its entirety by the full text of the form of Lock-Up Agreement, a form of which is attached hereto as Exhibit 10.7 and incorporated herein by reference.

**Indemnification Agreements**

In connection with the Business Combination, on the Closing Date, the Company entered into indemnification agreements with each of its directors and executive officers (the "Indemnification Agreements"). The Indemnification Agreements require the Company to indemnify its directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services 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 qualified in its entirety by the full text of the form of Indemnification Agreements, a copy of a form of which is attached hereto as Exhibit 10.8 and incorporated herein by reference.

**Item 2.01. Completion of Acquisition or Disposition of Assets.**

The disclosure set forth in the "*Introductory Note*" above is incorporated herein by reference.

**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. After the Closing, the Company became a holding company whose only assets consist of equity interests in Legacy Banzai. Item 2.01(f) of Form 8-K states that if the registrant was a shell company, as 7GC was immediately before the Mergers, 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 Company as 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. All statements, other than statements of present or historical fact included in or incorporated by reference in this Current Report on Form 8-K, regarding the Company's future financial performance, as well as the Company's strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Current Report on Form 8-K, the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations, assumptions, hopes, beliefs, intentions and strategies regarding future events and are based on currently available information as to the outcome and timing of future events. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to its business.

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.

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 Company's 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 following the Closing;
- costs related to the Business Combination;
- changes in applicable laws or regulations;
- the outcome of any legal proceedings against the Company;
- the financial and business performance of the Company, including financial projections and business metrics and any underlying assumptions thereunder;
- the Company's ability to successfully and timely develop, sell and expand its technology and products, and otherwise implement its growth strategy;
- risks relating to the Company's operations and business, including information technology and cybersecurity risks, loss of customers and deterioration in relationships between the Company and its employees;
- risks related to increased competition;
- risks relating to potential disruption of current plans, operations and infrastructure of the Company as a result of the consummation of the Business Combination;
- risks that the post-combination company experiences difficulties managing its growth and expanding operations;
- the impact of geopolitical, macroeconomic and market conditions, including the COVID-19 pandemic;
- the ability to successfully select, execute or integrate future acquisitions into the business; and
- other risks and uncertainties set forth in the Proxy Statement/Prospectus in the section entitled "*Risk Factors*" beginning on page 30 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

**Business and Properties**

The business and properties of 7GC and Legacy Banzai prior to the Business Combination are described in the Proxy Statement/Prospectus in the sections entitled "*Information About 7GC*" beginning on page 172 and "*Information About Banzai*" beginning on page 193 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 30 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

**Financial Information**

References in this "Financial Information" section to "Banzai," "we," "us," or "our" refer to Legacy Banzai prior to the Closing.

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

***Overview***

Banzai is a MarTech company that produces data-driven marketing and sales solutions for businesses of all sizes. Our mission is to help our customers accomplish their mission - by enabling better marketing, sales, and customer engagement outcomes. Banzai endeavors to acquire companies strategically positioned to enhance our product and service offerings, increasing the value provided to current and prospective customers.

Banzai was founded in 2015. The first product Banzai launched was Reach, a SaaS and managed services offering designed to increase registration and attendance of marketing events, followed by the acquisition of Demio, a SaaS solution for webinars designed for marketing, sales, and customer success teams, in 2021 and the launch of Boost, a SaaS solution for social sharing designed to increase attendance for Demio-hosted events by enabling easy social sharing by event registrants, in 2023. Our customer base included over 3,550 customers as of December 31, 2022 and comes from a variety of industries, including (among others) healthcare, financial services, e-commerce, technology and media, operating in over 50 countries. Our customers range in size from solo entrepreneurs and small businesses to Fortune 500 companies. No single customer represents more than 1% of our revenue. Since 2021, we have focused on increasing mid-market and enterprise customers for Demio. Progress towards this is reflected in our increase in multi-host Demio customers from 14 on January 1, 2021 to 152 on June 30, 2023, an 11-fold increase.

We sell our products using a recurring subscription license model typical in SaaS businesses. Pricing tiers for our main product, Demio, are based on the number of host-capable users, desired feature sets, and maximum audience size. Boost pricing tiers are based on the Demio plan to which the customer subscribes. Reach pricing is based on the number of event campaigns a customer has access to run simultaneously or the maximum number of registrations a customer is allowed to generate per subscription period. Banzai's customer contracts vary in term length from single months to multiple years.

Banzai generated revenue of $5.2 million and $5.3 million in the years ended December 31, 2021 and 2022, respectively, and of $4.3 million and $3.5 million in the nine months ended September 30, 2022 and 2023, respectively. Banzai has incurred significant net losses since inception, including net losses of $10.0 million and $15.5 million in 2021 and 2022, respectively, and of $9.0 million and $8.0 million in the nine months ended September 30, 2022 and 2023, respectively. Banzai had an accumulated deficit of $16.9 million and of $32.4 million as of December 31, 2021 and 2022, respectively, and of $25.9 million and $40.4 million as of September 30, 2022 and 2023, respectively.

***Key Business Metrics***

In the management of our businesses, we identify, measure, and evaluate a variety of operating metrics, as described below. These key performance measures and operating metrics are not prepared in accordance with GAAP and may not be comparable to or calculated in the same way as other similarly titled measures and metrics used by other companies. Measurements are specific to the group being measured, i.e. total customers, new customers, or other cohorts. Banzai currently uses these operating metrics with its Demio product. We do not track and use these operating metrics with prior products or products that are in the process being phased out (such as the Reach product).

The following table presents the percentage of Banzai's revenue generated from Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022 as compared to their other SaaS products.

| *Revenue %* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** |
|---|---|---|---|---|
| Reach | 15.0% | 32.2% | 5.1% | 14.7% |
| Demio | 84.9% | 66.4% | 94.9% | 84.1% |
| Other | 0.4% | 1.5% | 0.0% | 1.2% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

Net Revenue Retention ("NRR")

NRR is a metric Banzai uses to measure the revenue retention of its existing customer base. NRR calculates the change in revenue from existing customers by cohort over a period of time, after taking into account revenue lost due to customer churn and downgrades, and revenue gained due to upgrades and reactivations.

The formula for calculating NRR is: NRR = (Revenue at the beginning of a period - Revenue lost from churn, and downgrades + Revenue gained from expansion and reactivation) / Revenue at the beginning of the period.

The following table presents average monthly NRR for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product: Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** |
|---|---|---|---|---|
| Average Monthly NRR | 93.7% | 93.6% | 95.6% | 94.3% |

Average Customer Value ("ACV")

ACV is a metric Banzai uses to calculate the total revenue that it can expect to generate from a customer in a year. ACV is commonly used in the SaaS industry to measure the value of a customer to a subscription-based company over a 12-month period. Banzai uses ACV to segment its customers and to determine whether the value of new customers is growing or shrinking relative to the existing customer base. Banzai uses this information to make strategic decisions about pricing, marketing, and customer retention.

The formula for calculating ACV is: ACV = Total Annual Recurring Revenue (ARR) / Total Number Customers, where ARR is defined as annual run-rate revenue of subscription agreements from all customers measured at a point in time.

The following table presents new customer ACV and total average ACV for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product: Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** |
|---|---|---|---|---|
| New Customer ACV | $ 1,453 | $ 1,258 | $ 1,470 | $1,486 |
| Total Average ACV | $ 1,213 | $ 1,156 | $ 1,410 | $1,444 |

Customer Acquisition Cost ("CAC")

CAC is a financial metric Banzai uses to evaluate the average cost of acquiring a new customer. It includes marketing, sales, and other related expenses incurred while attracting and converting prospects into paying customers. CAC is a critical metric for Banzai to understand the efficiency and effectiveness of its marketing and sales efforts, as well as to ensure sustainable growth.

The formula for calculating CAC is: CAC = Total Sales & Marketing Cost / Number of Customers Acquired.

The following table presents CAC for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product; Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** |
|---|---|---|---|---|
| *Customer Acquisition Cost (CAC)* | $ 785 | $ 471 | $ 1,066 | $ 812 |

Customer Churn %

Customer Churn is the rate of customers who deactivate in a given period relative to the number of active customers at the beginning of such period or end of the prior period. Understanding drivers of churn allows Banzai to take measures to reduce the number of customers who deactivate and increase the overall rate of customer retention. There are two types of Churn % measured: Revenue churn and Customer (or logo) churn.

The formula for calculating Churn % is: Churn % = [# or $ value of] Deactivations / [# or $ value of] Beginning Customers.

The following table presents revenue Churn and new customer (or logo) Churn for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product: Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** |
|---|---|---|---|---|
| Churn - Revenue | 7.1% | 6.8% | 7.5% | 6.3% |
| Churn - Customer (Logo} | 7.6% | 7.4% | 8.1% | 7.2% |

Customer Lifetime Value (“LTV”)

LTV is a financial metric Banzai uses to estimate the total revenue it can expect to generate from a customer throughout their entire relationship. LTV helps Banzai understand the long-term value of each customer, enabling it to make informed decisions about marketing, sales, customer support, and product development strategies. It also helps Banzai allocate resources more efficiently by identifying high-value customer segments to focus on growth and retention.

The formula for calculating LTV is comprised of two metrics: Monthly Recurring Revenue (MRR) and Customer Life represented in # of months. Calculations for these metrics on a per-customer basis, as follows:

MRR = ACV / 12
Customer Life (# of months) = 1 / Churn %
LTV = MRR * Customer Life (# of months)

MRR is calculated by aggregating, for all customers from customer base or the group being measured during that month, monthly revenue from committed contractual amounts. For customers on annual contracts, this represents their ACV divided by 12.

The following table presents MRR, Customer Life, and LTV for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product: Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September30, 2022*** |
|---|---|---|---|---|
| MRR (New Customers) | $ 121 | $ 105 | $ 122 | $ 124 |
| Customer Life (months) | 14.1 | 14.7 | 13.4 | 15.9 |
| LTV (New Customers) | $ 1,706 | $ 1,540 | $ 1,640 | $ 1,965 |

LTV / CAC Ratio

LTV / CAC ratio is a culminating metric measuring the efficiency of Sales and Marketing activities in terms of the dollar value of new business generated versus the amount invested in order to generate that new business. This provides a measurement of ROI for Sales and Marketing activities. A segmented view of LTV / CAC ratio gives additional insight into the profitability of various business development activities.

The formula for calculating LTV / CAC ratio is: LTV / CAC for the segment or activity being measured.

The following table presents the LTV / CAC ratio for Demio for the years ended December 31, 2022 and 2021 and the nine months ended September 30, 2023 and 2022.

| *Product: Demio* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***September Months Ended September 30, 2023*** | ***September Months Ended September 30, 2022*** |
|---|---|---|---|---|
| LTV / CAC Ratio | 2.2 | 3.3 | 1.5 | 2.4 |

Analysis of the Impact of Key Business Drivers on Financial Performance

Banzai strives to maximize revenue growth within a reasonable cost structure through optimizing and continuous monitoring of the key business metrics described above relative to SaaS industry benchmarks, Banzai's direct competition, and historical company performance. This is accomplished through a combination of increased revenue per customer (higher ACVs and NRR) on an increasing customer base, generated through efficient customer acquisition (LTV / CAC ratio) and improved customer retention (lower churn, higher customer life). Other business activities contribute to improved performance and metrics, including but not limited to the following:

- Customer Success and Onboarding, leading to maximum customer satisfaction and retention.
- Product Development and Support, maximizing customer value, supporting usage and expansion revenue.
- Company Initiatives, designed to improve trial experience and conversion rates, on-demand adoption, and emphasis on data to position our products as a system of automation and a system of record for our customers, supporting growth and retention.

***Identification of Operational Risk Factors***

There are a number of key internal and external operational risks to the successful execution of Banzai's strategy.

Internal risks include:

- Management and leadership issues: ineffective leadership, poor decision-making, or lack of direction.
- Operational inefficiencies: inadequate processes and poor resource allocation may lead to decreased productivity or insufficient ROI.
- Financial mismanagement: inadequate financial planning, improper accounting practices, or excessive debt can lead to financial instability.
- Employee-related challenges: high turnover, lack of skilled staff, or internal conflicts can impact morale and productivity.

- Technological obsolescence: failing to develop (or adapt) to new technologies in anticipation or response to changes in market trends can lead to competitive disadvantages.

External risks include:

- Economic factors: including economic downturns, inflation, or currency fluctuations impacting business spending and overall market conditions.
- Competition: from established industry players to new entrants, eroding market share and profitability.
- Legal and regulatory: changes in laws or regulations that impact operations or increase compliance costs.
- Technological disruptions: from advancements in technology leading to obsolescence of existing products.
- Unforeseen events: including natural disasters, geo-political instability, and pandemics, potentially impacting market demand, operational or supply chain disruption.

***Analysis of the Impact of Operational Risks on Financial Performance***

The risk factors described above could have significant impacts on Banzai's financial performance. These or other factors, including those risk factors summarized in the section titled "*Risk Factors*" could impact Banzai's ability to generate and grow revenue, contain costs, or inhibit profitability, cash flow, and overall financial performance:

- Revenue and Sales: Internal risks from operating inefficiency or external factors, including economic downturns or increased competition, could lead to lower sales, impaired unit economics, and reduced revenue.
- Costs and Expenses: Internal operating mismanagement or external factors, including supplier issues, may cause increased cost relative to revenue generation, resulting in insufficient return on investment or profit margins.

By continuing to conduct comprehensive risk monitoring and analysis on financial performance, Banzai can optimize its ability to make informed decisions and improve its ability to navigate internal and external challenges. Such activities include: identification and categorization of risks, quantification and analysis of potential severity, and development of risk mitigation strategies. It is also important for Banzai to ensure financial reports and disclosures accurately reflect the potential impact of risks on financial performance, essential for transparent communication with investors and stakeholders.

***The Business Combination and Public Company Costs***

We expect the Business Combination to be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, 7GC is expected to be treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of New Banzai will represent a continuation of the financial statements of Banzai with the Business Combination treated as the equivalent of Banzai issuing stock for the net assets of 7GC, accompanied by a recapitalization. The net assets of 7GC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of Banzai in future reports of New Banzai.

As a consequence of the Business Combination, New Banzai will become the successor to an SEC-registered and Nasdaq-listed company, which will require New Banzai to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. New Banzai expects 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, including increased audit and legal fees. New Banzai will qualify as an "emerging growth company." As a result, upon completion of the Business Combination, New Banzai will be provided certain disclosure and regulatory relief. See the section titled "Summary of the Proxy Statement/Prospectus-Emerging Growth Company."

New Banzai's future results of operations and financial position may not be comparable to Banzai's historical results of operations and financial position as a result of the Business Combination.

***Results of Operations***

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Revenue | $ 5,333 | $ 5,207 | $ 126 | 2.4% |
| Cost of revenue | 1,957 | 2,072 | (115) | -5.6% |
| Gross profit | $ 3,376 | $ 3,135 | $ 241 | 7.7% |
| Operating expenses: | | | | |
| General and administrative | $ 9,275 | $ 11,006 | $(1,731) | -15.7% |
| Depreciation and Amortization | 10 | 481 | (471) | -98.0% |
| Impairment loss on operating lease | 303 | 0 | 303 | nm |
| Loss on impairment of intangible assets | 0 | 1,634 | (1,634) | -100.0% |
| Total operating expenses | $ 9,588 | $ 13,121 | $(3,533) | -26.9% |
| Operating loss | $ (6,212) | $ (9,986) | $ 3,774 | 37.8% |
| Other expenses (income): | | | | |
| Other income, net | $ (151) | $ (290) | $ 139 | 48.0% |
| Interest income | 0 | (5) | 5 | 100.0% |
| Interest expense | 1,651 | 1,218 | 433 | 35.6% |
| Interest expense - related party | 729 | 0 | 729 | nm |
| Loss (gain) on extinguishment of debt | 57 | (41) | 98 | -239.3% |
| Loss on modification of simple agreement for future equity | 151 | 0 | 151 | nm |
| Loss on modification of simple agreement for future equity - related party | 1,572 | 0 | 1,572 | nm |
| Change in fair value of simple agreement for future equity | 384 | (42) | 426 | 1015.7% |
| Change in fair value of simple agreement for future equity - related party | 4,002 | (437) | 4,439 | 1015.7% |
| Change in fair value of bifurcated embedded derivative liabilities | 269 | 1 | 268 | nm |
| Change in fair value of bifurcated embedded derivative liabilities - related party | 592 | 0 | 592 | nm |
| Total Other Expenses | $ 9,256 | $ 404 | $ 8,852 | 2187.6% |
| Loss before income taxes | (15,468) | (10,390) | (5,077) | -48.9% |
| Provision for income taxes | 0 | (409) | 409 | 100.0% |
| Net Loss | $ (15,468) | $ (9,981) | $(5,487) | -55.0% |

| ($ thousands) | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year over Year $* | *Year over Year %* |
|---|---|---|---|---|
| Operating income: | | | | |
| Revenue | $ 3,479 | $ 4,312 | $ (833) | -19% |
| Cost of revenue | 1,133 | 1,448 | (316) | -22% |
| Gross profit | 2,346 | 2,864 | (518) | -18% |
| Operating expenses: | — | — | — | — |
| General and administrative expenses | 8,937 | 7,227 | 1,710 | 24% |
| Depreciation and amortization expenses | 6 | 7 | (1) | -21% |
| Impairment loss on operating lease | — | 303 | (303) | -100% |
| Total operating expenses | 8,943 | 7,537 | 1,406 | 19% |
| Operating loss | (6,597) | (4,673) | (1,924) | 41% |
| Other expenses (income): | — | — | — | — |
| Other income, net | (71) | (37) | (34) | 93% |
| Interest income | (0) | — | (0) | — |
| Interest expense | 1,879 | 1,373 | 506 | 37% |
| Interest expense - related party | 1,614 | 125 | 1,489 | 1195% |
| Loss on extinguishment of debt | — | 57 | (57) | -100% |
| Loss on modification of simple agreement for future equity - related party | — | 1,644 | (1,644) | -100% |
| Loss on modification of simple agreement for future equity | — | 158 | (158) | -100% |
| Change in fair value of simple agreement for future equity | (185) | 92 | (277) | -300% |
| Change in fair value of simple agreement for future equity - related party | (1,927) | 963 | (2,890) | -300% |
| Change in fair value of bifurcated embedded derivative liabilities | 37 | (13) | 50 | -388% |
| Change in fair value of bifurcated embedded derivative liabilities - related party | 72 | (43) | 115 | -267% |
| Total other expenses, net | 1,420 | 4,318 | (2,898) | -67% |
| Loss before income taxes | (8,016) | (8,991) | 975 | -11% |
| Provision for income taxes | 17 | 15 | 2 | 11% |
| Net loss | $ (8,033) | $ (9,007) | $ 974 | -11% |

***Components of Results of Operations***

Revenue Analysis

| *($ thousands)* | *Year Ended December 31, 2022* | *Year Ended December 31, 2021* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Revenue | $ 5,333 | $ 5,207 | $ 126 | 2.4% |

| *($ thousands)* | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Revenue | $ 3,479 | $ 4,312 | $(833) | -19.3% |

For the year ended December 31, 2022, Banzai reported total revenue of $5.3 million, representing an increase of $0.1 million, or approximately 2.4%, over 2021. This increase is attributable to a $1.1 million increase year-over-year in Demio revenue, offset by a decrease in Reach revenue of $1 million, as this product is being phased out. The 2022 annual Demio revenue increase is primarily due to increased demand for our products and services from existing customers.

Total Banzai revenue for the nine months ended September 30, 2023 was $3.48 million, lower by $0.8 million or 19% from the nine month period ending September 30, 2022. This is due to $0.5 million lower Reach revenue, as the product continues to be phased out, and $0.3 million lower Demio revenue, due to a lower customer base driven by churn, partially offset by higher revenue per customer from expansion sales and price increases.

Cost of Revenue Analysis

| *($ thousands)* | *Year Ended December 31, 2022* | *Year Ended December 31, 2021* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Cost of revenue | $ 1,957 | $ 2,072 | $(115) | -5.6% |

| *($ thousands)* | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Cost of revenue | $ 1,133 | $ 1,448 | $(315) | -21.8% |

For the years ended December 31, 2022 and 2021, Banzai's cost of revenue totaled $2.0 million and $2.1 million, respectively. This represents a decrease of $0.1 million, or approximately 5.6%, due primarily to lower payroll for services in support of the Reach product, which is being phased out.

For the nine months ended September 30, 2023 and 2022, Banzai's cost of revenue totaled $1.1 million and $1.4 million, respectively, representing a reduction of $0.3 million, or approximately 22%. This reduction is due primarily to lower payroll as well as lower contracted services supplying data, both in support of the Reach product.

Gross Profit Analysis

| *($ thousands)* | *Year Ended December 31, 2022* | *Year Ended December 31, 2021* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Gross profit | $ 3,376 | $ 3,135 | $ 241 | 7.7% |

| *($ thousands)* | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Gross profit | $ 2,346 | $ 2,864 | $(518) | -18.1% |

For the year ended December 31, 2022 and 2021, Banzai's gross profit was $3.4 million and $3.1 million, respectively. This represents a year-over-year increase of $0.2 million, or approximately 7.7% due to corresponding decreases in cost of revenue of $0.1 million from lower payroll and contracted services in support of the Reach product for its continuous decline in revenue in the Reach product, and $0.1 million in higher total revenue.

For the nine months ended September 30, gross profit fell from $2.9 million in 2022 to $2.3 million in 2023, due to $0.8 million lower revenue, partially offset by $0.3 million lower cost of revenue.

Operating Expense Analysis`

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Total Operating Expenses | $ 9,588 | $ 13,121 | $(3,533) | -26.9% |

| *($ thousands)* | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Total Operating Expenses | $ 8,943 | $ 7,537 | $ 1,406 | 18.7% |

Total operating expenses for the years ended December 31, 2022 and 2021, were $9.6 million and $13.1 million, respectively, signifying a year-over-year decrease of approximately $3.5 million, or 26.9%. This reduction reflects the result of cost-cutting and other efficiency improvement initiatives in Banzai's general and administrative expenses by approximately $1.7 million, or 15.7%. In addition, there was a reduction in Loss on Impairment of Intangible Assets by $1.6 million year-over-year, as the net value for both Demio and High Attendance products was fully recognized in 2021. As a result, amortization expense was not applicable in 2022, leading to a reduction in depreciation and amortization of $0.5 million.

Total operating expenses for the nine months ended September 30, 2023 were $8.9 million, up $1.4 million, or 19%, from $7.5 million for the nine months ended September 30, 2022. General and administrative expenses were up $1.7 million in the first nine months of 2023 over the same period in the prior year, and offset by impairment loss on operating lease, which was $0.0 million in the first nine months of 2023, down from $0.3 million in the first nine months of 2022.

Other Expense Analysis

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Total other expenses | $ 9,256 | $ 404 | $ 8,852 | 2187.6% |

| *($ thousands)* | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Total other expenses | $ 1,420 | $ 4,318 | $(2,898) | -67.1% |

For the year ended December 31, 2022, Banzai reported total other expenses of $9.3 million. This represents an increase of $8.9 million over December 31, 2021. The escalation in non-operating loss was driven by the following:

- Changes in fair value of the SAFEs was $4.4 million in 2022, of which $4.0 million pertained to related party. This represents an increase of $4.9 million from the 2021 balance of $(0.5) million, including $(0.4) million for related party, in accordance with ASC 820 and ASC 480-10-35-5, and exceptions per 35-1 through 35-4A. The fair value of the SAFEs at December 31, 2022 was $9.5 million, including $8.6 million for related party, which represents an increase of $6.1 million ($3.5 million for related party) from $3.4 million at December 31, 2021 ($3.1 million for related party). Of this increase, $1.7 million ($1.6 million for related party) was recognized as loss of SAFE modification (see next) resulting in the $4.4 million 2022 balance.

- Loss on modification of SAFEs was $1.7 million in 2022, as noted above, including $1.6 million for related party, up from $0 in 2021. Banzai issued a SAFE with various investors on September 17, 2021, which was subsequently modified on September 2, 2022 under ASC 480-10-25-14.
- The fair value and corresponding liability, of the SAFEs increased $1.7 million from $4.6 million ($4.2 million for related party) prior to modification to $6.3 million post-modification ($5.7 million for related party).
- Interest expense increased by $1.2 million year-over-year to $2.4 million for the year ended December 31, 2022 due to additional capital of $6.3 million ($4.1 million for related party) raised through financing from various investors with convertible notes during the 12-month periods from January 1, 2022 to December 31, 2022, plus the full year interest expenses recognized in 2022 on the existing debts carry forward from 2021 that were executed in Q1 2021.
- Changes in fair value of bifurcated embedded derivative liabilities was $0.9 million ($0.6 million for related party) as of December 31, 2022, up from $0 million in 2021, per ASC 820.

Banzai's total other expenses for the nine months ended September 30, 2023, were $1.4 million, down by approximately $2.9 million ($(2.9) million for related party) due to a reduction of $3.2 million ($2.9 million for related party) on change in fair value of simple agreement for future equity; reduction of $1.8 million ($1.6 million for related party) on Loss on modification of simple agreement for future equity and $0.1 million in other expenses. These overall reductions of $5.1 million on total other expenses were reduced by the increase on interest expenses of $2.0 million ($1.2 million for related party) on imputed interest and PIK from higher convertible note investments, and an increase of $0.2 million (an increase $0.5 million for related party offset by a decrease of $0.3 million for third party) for change in value of bifurcated embedded derivative liabilities

Provision for Income Taxes

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Provision for income taxes (benefit) | $ 0 | $ (409) | $409 | 100.0% |

| *($ thousands)* | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Provision for income taxes | $ 17 | $ 15 | $ 2 | 11.0% |

For the year ended December 31, 2022 and 2021, Banzai's reported provision for income tax expense was $0.0 million and $(0.4) million, respectively. This represents a year-over-year increase of approximately $0.4 million.

As of December 31, 2022, Banzai had federal and state net operating loss carryforwards of approximately $15.3 million and $9.2 million, respectively. As of December 31, 2021, Banzai had federal and state net operating loss carryforwards of approximately $11.9 million and $7.9 million, respectively. Federal losses of $0.1 million will begin to expire in 2036, and $15.2 million of the federal losses carry forward indefinitely. State losses of $7.4 million begin to expire in 2031 and $1.8 million of the state losses carry forward indefinitely. Utilization of the net operating loss carryforwards may be subject to an annual limitation according to Section 382 of the Internal Revenue Code of 1986 as amended, and similar provisions.

Banzai has determined, based upon available evidence, that it is more likely than not that all of the net deferred tax assets will not be realized and, accordingly, has provided a full valuation allowance against its net deferred tax asset. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, net operating loss carryback potential, and tax planning strategies in making these assessments. Banzai has determined that it had no material uncertain tax benefits for the years ended December 31, 2022 and 2021.

Banzai recognizes interest accrued for unrecognized tax benefits and penalties in interest expense and penalties in operating expense. No amounts were accrued for the payment of interest and penalties at

December 31, 2022, and 2021. Banzai files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Banzai is subject to examination by federal and state jurisdictions where applicable based on the statute of limitations that apply in each jurisdiction. As of December 31, 2022, open years for possible examination related to all jurisdictions are 2022, 2021, 2020, 2019, 2018, 2017, and 2016. Banzai had no open tax audits with any taxing authority as of December 31, 2022.

Net Loss Analysis

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Net loss | $ (15,468) | $ (9,981) | $(5,487) | -55.0% |

| *($ thousands)* | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Net loss | $ (8,033) | $ (9,007) | $ 974 | -10.8% |

For the years ended December 31, 2022 and 2021, Banzai reported net losses of $15.5 million and of $10.0 million, respectively. This deterioration is primarily due to higher total other expenses by $8.9 million in 2022 over 2021, offsetting improvements in gross profit by $0.2 million and lower total operating expenses by $3.5 million.

For the nine months ended September 30, Banzai had net losses of $8.0 million and $9.0 million for 2023 and 2022 respectively. This reduced net loss of $1.0 million, or 10.8%, was driven by a combination of lower gross profit by $0.5 million due to lower revenue, higher interest expense by $2.0 million ($1.5 million due to related party) on more convertible notes and a gain on the change in fair value of simple agreement for future equity of $2.2 million, for the nine months ended September 30, 2023, relative to a loss on the change in fair value of simple agreement for future equity of $1.1 million, for the same period in 2022.

Adjusted EBITDA, a Non-GAAP Measure

In addition to our results determined in accordance with U.S. GAAP, we believe that Adjusted EBITDA, a non-GAAP measure as defined below, is useful in evaluating our operational performance distinct and apart from certain irregular, non-cash, and non-operational expenses. We use this information for ongoing evaluation of operations and for internal planning purposes. We believe that non- GAAP financial information, when taken collectively with results under GAAP, may be helpful to investors in assessing our operating performance and comparing our performance with competitors and other comparable companies.

Non-GAAP measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. We endeavor to compensate for the limitation of Adjusted EBITDA, by also providing the most directly comparable GAAP measure, which is net loss, and a description of the reconciling items and adjustments to derive the non-GAAP measure. Some of these limitations are:

- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect impairment and restructuring costs;
- Adjusted EBITDA does not reflect interest expense or other income;
- Adjusted EBITDA does not reflect income taxes;
- Adjusted EBITDA does not reflect audit, legal, incremental accounting and other expenses tied to M&A or the Business Combination; and

- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently from the way we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should only be considered alongside results prepared in accordance with GAAP, including various cash-flow metrics, net income (loss) and our other GAAP results and financial performance measures.

Adjusted EBITDA Analysis

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Adjusted EBITDA (Loss) | $ (4,827) | $ (8,118) | $3,291 | 40.5% |

| *($ thousands)* | ***September Months Ended September 30, 2023*** | ***September Months Ended September 30, 2022*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Adjusted EBITDA (Loss) | $ (2,508) | $ (3,888) | $1,380 | 35.5% |

For the year ended December 31, 2022, Banzai's Adjusted EBITDA (loss) was ($4.8) million, reflecting an improvement of $3.3 million from the Adjusted EBITDA (Loss) from the year ended December 31, 2021 of ($8.1) million. This year-over-year loss reduction is primarily attributable to reduced general and administrative expenses and improved gross profit.

Banzai's Adjusted EBITDA (loss) for the nine months ended September 30,2023 was $(2.5) million versus $(3.9) million from the nine months ended September 30, 2022.

***Net Income/(Loss) to Adjusted EBITDA Reconciliation***

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Net Income (Loss) | $ (15,468) | $ (9,981) | $(5,487) | -55.0% |
| Other income (loss), net | (151) | (290) | 139 | 48.0% |
| Depreciation and amortization | 10 | 481 | (471) | 98.0% |
| Stock based compensation | 770 | 803 | (33) | -4.1% |
| Interest expense | 1,651 | 1,218 | 433 | 35.6% |
| Interest expense - related party | 729 | 0 | 729 | nm |
| Income Tax expense | 0 | (409) | 409 | 100.0% |
| Loss on extinguishment of debt | 57 | (41) | 98 | 239.3% |
| Loss on modification of simple agreement for future equity | 151 | 0 | 151 | nm |
| Loss on modification of simple agreement for future equity - related party | 1,572 | 0 | 1,572 | nm |
| Change in fair value of simple agreement for future equity | 384 | (42) | 426 | 1015.7% |
| Change in fair value of simple agreement for future equity - related party | 4,002 | (437) | 4,439 | 1015.7% |
| Change in fair value of bifurcated embedded derivative liabilities | 269 | 1 | 268 | nm |
| Change in fair value of bifurcated embedded derivative liabilities - related party | 592 | 0 | 592 | nm |
| Transaction related expense* | 304 | 0 | 304 | nm |
| Adjusted EBITDA | $ (4,827) | $ (8,118) | $ 3,291 | 40.5% |

* *Transaction related expenses include*

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Professional fees - audit | $ 0 | $ 0 | $ 0 | nm |
| Professional fees - legal | 103 | 0 | 103 | nm |
| Incremental accounting | 202 | 0 | 202 | nm |
| Market study, M&A support | 0 | 0 | 0 | nm |
| Transaction related costs | $ 304 | $ 0 | $304 | nm |

| *($ thousands)* | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Net Income (Loss) | $ (8,033) | $ (9,007) | $ 974 | 10.8% |
| Other income (loss), net | (71) | (37) | (34) | -92.6% |
| Depreciation and amortization | 6 | 7 | (1) | -20.7% |
| Stock based compensation | 831 | 631 | 200 | 31.7% |
| Interest expense | 1,879 | 1,373 | 506 | 36.9% |
| Interest expense - related party | 1,614 | 125 | 1,489 | 1195.2% |
| Income Tax expense | 17 | 15 | 2 | 11.0% |
| Loss on extinguishment of debt | 0 | 57 | (57) | -100.0% |
| Loss on modification of simple agreement for future equity | 0 | 158 | (158) | -100.0% |
| Loss on modification of simple agreement for future equity - related party | 0 | 1,644 | (1,644) | -100.0% |
| Change in fair value of simple agreement for future equity | (185) | 92 | (277) | -300.2% |
| Change in fair value of simple agreement for future equity - related party | (1,927) | 963 | (2,890) | -300.2% |
| Change in fair value of bifurcated embedded derivative liabilities | 37 | (13) | 50 | 388.1% |
| Change in fair value of bifurcated embedded derivative liabilities - related party | 72 | (43) | 115 | 267.0% |
| Transaction related expense* | 3,112 | 74 | 3,038 | 4096.2% |
| Adjusted EBITDA | $ (2,508) | $ (3,888) | $ 1,380 | 35.5% |

* *Transaction related expenses include*

| *($ thousands)* | *Nine Months Ended September 30, 2023* | *Nine Months Ended September 30, 2022* | *Year-over-Year $* | *Year-over-Year %* |
|---|---|---|---|---|
| Professional fees - audit | $ 532 | $ 0 | $ 532 | nm |
| Professional fees - legal | 152 | 55 | 97 | 177.3% |
| Incremental accounting | 2,125 | 19 | 2,106 | 10933.2% |
| Market study, M&A support | 302 | 0 | 302 | nm |
| Transaction related costs | $ 3,112 | $ 74 | $3,038 | 4096.2% |

***Liquidity and Capital Resources***

Analysis of Banzai's Liquidity Position

Since inception, Banzai has financed its operations primarily from the sales of redeemable convertible preferred stock and convertible promissory notes, and proceeds from senior secured loans. As of December 31, 2022, Banzai had cash and cash equivalents of $1.0 million. As of September 30, 2023, Banzai had cash and cash equivalents of $0.4 million.

Banzai has incurred losses since its inception, had a working capital deficit of $35.9 million and $27.9 million as of September 30, 2023 and December 31, 2022, respectively, and had an accumulated deficit at September 30, 2023 and December 31, 2022 totaling $40.4 million and $32.4 million, respectively. As of September 30, 2023 and December 31, 2022, Banzai had $19.5 million and $14.3 million aggregate principal amount outstanding on term loans, convertible notes and promissory notes, respectively. Subsequent to December 31, 2022, Banzai raised additional capital through financing by issuing convertible debts of $4.0 million ($1.5 million from related parties), $6.4 million promissory notes ($4.4 million from related parties) through December 14, 2023, to various investors plus a short-term loan from one of the investors (related party) for $2.4M. Banzai has used debt proceeds principally to fund general operations.

Banzai's intends to seek additional funding through the completion of the Business Combination. At this time, Banzai is focused on completing the Business Combination, which is subject to regulatory approval from the SEC and other customary closing conditions and is limited in its efforts to raise additional capital from secondary sources. If Banzai is unable to complete the Business Combination, Banzai will have to pursue an alternative course of action to seek additional capital through other debt and equity financing.

If Banzai is unable to raise sufficient additional capital, through future debt or equity financings or through strategic and collaborative ventures with third parties, Banzai will not have sufficient cash flows and liquidity to fund its planned business for the next 12 months. There can be no assurances that Banzai will be able complete the Business Combination or that in the event that the Business Combination does not take place, that Banzai will be able to secure alternate forms of financing at terms that are acceptable to management if at all. In that event, Banzai might be forced to limit many of its business plans and consider other means of creating value for its stockholders. Based on the factors described above, and after considering management's plans, there is substantial doubt about Banzai's ability to continue as a going concern within one year from the date the financial statements were available to be issued. The accompanying consolidated financial statements have been prepared assuming Banzai will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

***Cash Flows***

The following table sets forth Banzai's cash flows for 2021, 2022 and the nine months period ended September 30, 2022, and 2023:

| *($ thousands)* | ***Year Ended December 31, 2022*** | ***Year Ended December 31, 2021*** | ***Year-over-Year $*** | ***Year-over-Year %*** |
|---|---|---|---|---|
| Net Loss | $ (15,469) | $ (9,982) | $(5,487) | -55.0% |
| Adjustments to reconcile Net Loss to Net Cash Used in Operations | 10,300 | 3,139 | 7,161 | 228.1% |
| Cash Used by Operating | $ (5,168) | $ (6,843) | $ 1,675 | 24.5% |
| Cash Used by Investing | (11) | (3,569) | 3,558 | 99.7% |
| Cash Provided by Financing | 4,416 | 11,419 | (7,003) | -61.3% |
| Net Cash Flow for the Period | $ (763) | $ 1,007 | $(1,770) | -175.7% |

| ($ thousands) | ***Nine Months Ended September 30, 2023*** | ***Nine Months Ended September 30, 2022*** | ***Year over Year $*** | ***Year over Year %*** |
|---|---|---|---|---|
| Net loss | $ (8,033) | $ (9,007) | $ 974 | -10.8% |
| Adjustments to reconcile Net Loss to Net Cash Used in Operations: | 2,992 | 4,282 | (1,290) | -30.1% |
| Cash Used by Operating | $ (5,042) | $ (4,725) | $ (317) | 6.7% |
| Cash Used by Investing | — | (9) | 9 | nm |
| Cash Provided by Financing | 4,415 | 5,693 | (1,278) | -22.5% |
| Net Cash Flow for the Period | $ (627) | $ 959 | $(1,586) | -165.4% |

2022

Net cash used in operating activities was $5.2 million for the year ended December 31, 2022. Net cash used in operating activities consists of net loss of $15.5 million, total adjustments of $10.3 million for non-cash items

and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense of $0.8 million, non-cash interest expense of $0.9 million ($0.1 million for related party), bad debt expense of $(0.1 million), amortization of debt discount and issuance costs of $0.7 million ($0.5 million for related party), amortization of operating lease ROU assets of $0.2 million, impairment of operating lease ROU assets of $0.3 million, loss on extinguishment of debt of $0.1 million, loss on modification of SAFE $1.7 million ($1.6 million for related party), fair value adjustments to simple agreement for future equity of $4.4 million ($4.0 million for related party), fair value adjustments to bifurcated embedded derivative liabilities of $0.9 million ($0.6 million for related party), and net of change in operating assets and liabilities of $0.5 million.

Net cash used in investing activities was $(0.01) million for the year ended December 31, 2022, and was primarily related to the purchase of equipment.

Net cash provided by financing activities was $4.4 million for the year ended December 31, 2022, and was primarily related to convertible debt financing of $5.9 million ($4.1 million for related party), net of deferred offering cost payment of $1.5 million.

2021

Net cash used in operating activities was $6.8 million for the year ended December 31, 2021. Net cash used in operating activities consists of net loss of $10.0 million, total adjustments of $3.1 million for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense of $0.8 million, depreciation and amortization of $0.5 million, non-cash interest expense of $0.3 million, bad debt expense of $0.2 million, amortization of debt discount and issuance costs of $0.1 million, impairment of intangible assets of $1.6 million, fair value adjustments to simple agreement for future equity of ($0.5) million, gain of loan forgiveness ($0.5) million, net of change in operating assets and liabilities of $0.7 million.

Net cash used in investing activities was $3.6 million for the year ended December 31, 2021, primarily related to investments made in the acquisition of Demio, net of cash acquired of $3.6 million.

Net cash provided by financing activities was $11.4 million for the year ended December 31, 2021. Net cash provided by financing activities is primarily related to debt financing, including proceeds from term loan of $6.2 million (net of issuance cost) and proceeds from PPP loan of $0.5 million, offset by loan repayments of $0.6 million, convertible debt of $1.4 million, proceeds from simple agreement for future equity of $3.8 million, and proceeds from issuance of common stock of $0.1 million.

***Capital Expenditure Commitments and Financing Requirements***

| *($ thousands)* | **Total** | **Less than 1 year** | **1 - 3 Years** |
|---|---|---|---|
| Debt principal - 14% plus 1.5% PIK Term Loan | $ 6,500 | $ 0 | $ 6,500 |
| Debt principal - 15.5% Convertible Notes | 1,821 | 0 | 1,821 |
| Debt principal - 8% Convertible Notes - 3rd Parties | 3,345 | 3,345 | 0 |
| Debt principal - 8% Convertible Notes - Related Parties | 6,634 | 6,634 | |
| Debt principal - 8% Promissory Notes - Related Parties | 1,150 | 1,150 | |
| Interest on Debt - CP & 3rd Parties | 3,834 | 1,631 | 2,203 |
| Interest on Debt - Related Parties | 689 | 689 | 0 |
| Operating leases | 308 | 305 | 3 |
| Total principal amount at September 30, 2023 | $24,281 | $13,754 | $10,527 |

Debt Principal 14% + 1.5% PIK Term Loan and 15.5% Senior Convertible Notes

On February 19, 2021, Banzai entered into the Loan Agreement. The Loan Agreement was comprised of a term loan in an aggregate principal amount of $6.5 million and a Senior Convertible Note in an aggregate principal amount of $1.5 million. The term loan bears cash interest at a rate of 14% per annum paid monthly and

accrued PIK interest cumulatively at 1.5% per annum. The outstanding principal balance of the term loan, together with accrued and unpaid interest thereon, unpaid fees, and expenses and any other obligations then due, is due on February 19, 2025 ("Loan Maturity Date"). Such Senior Convertible Note accrues PIK interest cumulatively at a rate of 15.5% per annum and is convertible into Banzai Class A Common Stock upon the occurrence of a Qualified Financing (as defined in the Loan Agreement), upon a Change of Control (as defined in the Loan Agreement), upon prepayment of the Senior Convertible Note, or at maturity at a fixed conversion price. On October 10, 2022 the Loan Agreement was amended, whereby CP BF waived payment by Banzai of four months of cash interest with respect to the term loan in replacement for another Senior Convertible Note in the aggregate principal amount of $321,345, which is not considered an additional loan. The total principal balance of the Senior Convertible Notes was $1.8 million at September 30, 2023 and December 31, 2022.

On August 24, 2023, Banzai entered into the Forbearance Agreement with CP BF, pursuant to which, in connection with Banzai's non-compliance with certain covenants of the Loan Agreement, CP BF agreed to (i) amend certain provisions of the Loan Agreement to clarify that, subject to certain conditions, the Business Combination will not be considered a "Change of Control" under the Loan Agreement, (ii) consent to the consummation of the Merger, and (iii) forbear from exercising any of its rights and remedies under the Loan Agreement from the effective date of the Forbearance Agreement until the earlier of (a) the four-month anniversary of the closing of the Business Combination if the Business Combination is closed on or prior to December 29, 2023, (b) December 29, 2023 if the Business Combination is not consummated on or prior to December 29, 2023 or (c) the date on which any Termination Event (as defined within the Forbearance Agreement) shall have occurred. In connection with the Forbearance Agreement, CP BF and Banzai also agreed to amend and restate the Senior Convertible Notes so that they shall not convert at the Closing of the Business Combination as a "Change of Control" and, at CP BF's option, shall be convertible into New Banzai Class A Shares after the Closing.

The foregoing descriptions of the Forbearance Agreement and the Senior Convertible Notes do not purport to be complete and are subject to, and qualified in their entirety by, the full text of the Forbearance Agreement and the Senior Convertible Notes, copies of which are attached hereto as Exhibits 10.9 and 4.4, respectively, and incorporated herein by reference.

Debt Principal 8% Subordinated Convertible Notes

Between July and September 2022, Banzai issued Subordinated Convertible Notes in an aggregate principal amount of $5,961,744, of which $5,100,538 was issued to related parties and the remainder of $861,206 to third-party creditors. During the 9 months period of 2023, Banzai issued additional Subordinated Convertible Notes in an aggregate principle amount of $5,168,000, of which $3,650,000 was issued to related parties and the remainder of $1,518,000 to third-party creditors. The Subordinated Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of Banzai to be issued to other investors upon a Qualified Financing (as defined in the Subordinated Convertible Notes) at a conversion price equal to the lesser of (i) 80% of the per share price paid by the cash purchasers of such Qualified Financing Securities (as defined in the Subordinated Convertible Notes) in the Qualified Financing, or (ii) the conversion price obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in the Subordinated Convertible Notes). If not sooner converted or prepaid, the Subordinated Convertible Notes are payable no later than the earlier of (a) the written demand by the holders of a majority-in-interest of the Subordinated Convertible Notes then outstanding on or after September 1, 2023, (b) consummation of a Liquidity Event (as defined in the Subordinated Convertible Notes), or (c) the written demand by the Majority Holders (as defined in the Subordinated Convertible Notes) after an Event of Default (as defined in the Subordinated Convertible Notes) has occurred. In the event of a Liquidity Event while the Subordinated Convertible Notes are outstanding, immediately prior to the closing of such Liquidity Event and in full satisfaction of the Subordinated Convertible Notes, an amount equal to the greater of (a) the Outstanding Amount (as defined in the Subordinated Convertible Notes), or (b) two times (2x) the principal amount of the Subordinated Convertible Notes then outstanding shall become immediately due and payable in cash.

Interest on Debt

Interest on debt totals $4.6 million, representing the aggregate interest expenses / payments obligation to be paid and to be recognized during the rest of the terms of the Loan Agreement, Senior Convertible Notes, Subordinated Convertible Notes as described under *"- Debt Principal 14% + 1.5% PIK Term Loan and 15.5% Subordinated Convertible Notes*" and *"- Debt Principal 8% Subordinated Convertible Notes*" above.

Operating Leases

Banzai has operating leases for its real estate for office use. The leases have lease terms expiring October 2024. Banzai adopted ASC 842 Leases by applying the guidance at adoption date, January 1, 2022. The $307,804 balance recognized as of September 30, 2023 represents the future minimum lease payments under non-cancellable leases as liabilities.

***Debt Structure and Maturity Profile***

| *($ thousands)* | ***Principal*** | ***Debt Discount / Issuance Cost*** | ***Carrying Value*** | ***Accrued Interest*** | ***Carrying Value and Accrued Interest*** |
|---|---|---|---|---|---|
| As of December 31 2022 14% Coupon Rate plus 1.5% PIK Term Loan, due February 2, 2025 | $ 6,500 | $ (193) | $ 6,307 | $ 187 | $ 6,494 |
| 15.5% PIK Interest Rate convertible promissory notes, due February 2 2025 | 1,821 | (64) | 1,758 | 519 | 2,276 |
| 8% convertible promissory notes, due February 2025 | 1,860 | (420) | 1,440 | 49 | 1,489 |
| 8% PIK Interest Rate convertible promissory notes, due February 2025 | 4,101 | (828) | 3,272 | 153 | 3,425 |
| Total debt carrying values at December 31, 2022 | $14,282 | $(1,504) | $12,777 | $ 907 | $13,685 |
| Debt Additions 3Q23 | | | | | |
| Related Party | $ 3,650 | | | | |
| Other | 1,518 | | | | |
| Total Debt Additions 3Q23 | $ 5,168 | | | | |
| Total principal amount at September 30, 2023 | $19,450 | | | | |

***Contractual Obligations and Commitments***

Revenue

Under ASC 606, revenue is recognized throughout the life of the executed agreement. Banzai measures revenue based on considerations specified in terms and conditions agreed to by a customer. Furthermore, Banzai recognizes revenue when a performance obligation is satisfied by transferring control of the service to the customer, which occurs over time.

Leases

Banzai's existing leases contain escalation clauses and renewal options. Banzai is not reasonably certain that renewal options will be exercised upon expiration of the initial terms of its existing leases. Prior to adoption of ASU 2016-02 effective January 1, 2022, Banzai accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

Banzai entered into a sublease which it had identified as an operating lease prior to the adoption of ASC 842 Leases. Banzai remains the primary obligor to the head lease lessor, making rental payments directly to the lessor and separately billing the sublessee. The sublease is subordinated to the master lease, and the sublessee must comply with all applicable terms of the master lease. Banzai subleased the real estate to a third-party at a monthly rental payment amount that was less than the monthly cost that it pays on the headlease with the lessor.

In evaluating long-lived assets for recoverability, Banzai calculated the fair value of the sublease using its best estimate of future cash flows expected to result from the use of the asset. When undiscounted cash flows to be generated through the sublease is less than the carrying value of the underlying asset, the asset is deemed impaired.

If it is determined that assets are impaired, an impairment loss is recognized for the amount that the asset's book value exceeds its fair value. Based on the expected future cash flows, Banzai recognized an impairment loss upon adoption of ASC 842 Leases of $303,327. The impairment loss was recorded to impairment loss on lease on the consolidated statement of operations for the year ended December 31, 2022.

***Off-Balance Sheet Arrangements***

Other than the items described above, Banzai has no off-balance sheet arrangements.

***Quantitative and Qualitative Disclosures About Market Risk***

Banzai's business and operations are sensitive to general business and economic conditions. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets and the general condition of the world economy. A host of factors beyond Banzai's control could cause fluctuations in these conditions. Adverse developments in these general business and economic conditions could have a material adverse effect on Banzai's financial condition and the results of its operations. In addition, Banzai will compete with many companies that currently have extensive and well-funded products, marketing and sales operations. Banzai may be unable to compete successfully against these companies. Banzai's industry is characterized by rapid changes in technology and market demands. As a result, Banzai's products, services, or expertise may become obsolete or unmarketable. Banzai's future success will depend on its ability to adapt to technological advances, anticipate customer and market demands, and enhance its current technology under development. Banzai is also subject to risks which include, but are not limited to, dependence on key personnel, reliance on third parties, successful integration of business acquisitions, protection of proprietary technology, and compliance with regulatory requirements.

***Critical Accounting Policies and Estimates***

Management's discussion and analysis of our financial condition and results of operations is based on our condensed financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

Certain accounting policies have a more significant impact on our financial statements due to the size of the financial statement elements and prevalence of their application. The following is a summary of some of the more critical accounting policies and estimates as of September 30, 2023, prior to the completion of the Business Combination.

Revenue Recognition

The Financial Accounting Standards Board ("FASB") issued new guidance that created ASC 606, Revenue from Contracts with Customers ("ASC 606"), in the Accounting Standards Codification ("ASC"). ASC 606 requires the recognition of revenue when promised goods and services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. The new guidance also added Subtopic ASC 340-40, Other Assets and Deferred Costs - Contracts with Customers ("ASC 340"), to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Costs incurred to obtain a contract include sales commissions, which are capitalized and amortized to commission expense over time in accordance with the related contract's term.

The requirements of ASC 606 were adopted as of January 1, 2020, utilizing the full retrospective method of transition, initially applying the guidance as of date of initial application, e.g., January 1, 2020, with no impact to Banzai's financial position and results of operations. Adoption of the new guidance resulted in changes to accounting policies for revenue recognition and deferred costs.

Revenue is generated through Banzai providing marketing and webinar platform subscription software service for a set period of time. The Statement of Work ("SOW") or invoice, and the accompanying documents (if applicable) are negotiated and signed by both parties. When execution or completion of the contract occurs, the contract is valid and revenue is earned when the service is provided for each period of performance, daily. The amount is paid by the customer based on the contract terms monthly, quarterly, or annually.

Banzai recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for the transfer of promised services to its customers. To determine revenue recognition for contracts with customers, Banzai performs the following steps described in ASC 606:

(1) identifies the contract with the customer, or Step 1,

(2) identifies the performance obligations in the contract, or Step 2,

(3) determines the transaction price, or Step 3,

(4) allocates the transaction price to the performance obligations in the contract, or Step 4, and

(5) recognizes revenue when (or as) the entity satisfies a performance obligation, or Step 5.

Revenue from contracts with customers are not recorded until Banzai has the approval and commitment from the parties, the rights of the parties are identified, payment terms are established, the contract has commercial substance and collectability of the consideration is probable. Banzai also evaluates the following indicators, amongst others, when determining whether it is acting as a principal in the transaction (and therefore whether to record revenue on a gross basis): (i) whether Banzai is primarily responsible for fulfilling the promise to provide the specified good or service, (ii) whether Banzai has the inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer and (iii) whether Banzai has the discretion to establish the price for the specified good or service. If the terms of a transaction do not indicate that Banzai is acting as a principal in the transaction, then Banzai is acting as an agent in the transaction and therefore, the associated revenue is recognized on a net basis (that is revenue net of costs).

Revenue is recognized once control passes to the customer. The following indicators are evaluated in determining when control has passed to the customer: (i) whether Banzai has a right to payment for the product or service, (ii) whether the customer has legal title to the product or service, (iii) whether Banzai has transferred physical possession of the product or service to the customer, (iv) whether the customer has the significant risk and rewards of ownership of the product or service and (v) whether the customer has accepted the product or service. When an arrangement contains more than one performance obligation, Banzai will allocate the transaction price to each performance obligation on a relative standalone selling price basis. Banzai utilizes the observable price of goods and services when they are sold separately to similar customers in order to estimate standalone selling price.

Stock-Based Compensation

Banzai expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards in accordance with ASC 718, Stock Compensation. Banzai accounts for forfeitures as they occur. Stock-based awards are accounted for based on their grant date fair value and recognized on a straight-line basis over the requisite service period. Banzai estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

Income Taxes

Income taxes are recorded in accordance with ASC 740, Income Taxes ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Banzai recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns.

Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Banzai accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, Banzai recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. Banzai recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense.

Derivative Financial Instruments

Banzai evaluates all its financial instruments to determine if such instruments contain features that qualify as embedded derivatives in accordance with ASC820. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the statement of operations each period. Bifurcated embedded derivatives are classified with the related host contract in Banzai's balance sheet.

Valuation of SAFE Liabilities

Banzai adopts guidance per ASC 480-10-25-14, measures the SAFE liabilities initially and subsequently at fair value, with changes in fair value recognized in earnings unless a different accounting treatment is permitted or required by other GAAP (e.g., share-settled debt that is accounted for at amortized cost by using the interest method in accordance with ASC 835-30). As the SAFEs are not legal form debt, management evaluated the modification as incurred in accordance with the guidance for equity-linked instruments. Per Section 4.4.5.2 of the EY Guide, when an equity contract that is classified as an asset or liability and measured at fair value is subsequently modified, the effect of the changed terms will be reflected in the subsequent measurement and thus will generally be recognized in earnings. Depending on the facts and circumstances, the change in fair value due to the modification may be classified differently from the rest of the change in the fair value, and the classification may vary based on the nature of, and reason for, the modification.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivables are recorded at the invoiced amount and generally do not bear interest. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in the management's judgment, deserve current recognition in estimating bad debts. Such factors include growth and composition of accounts receivable, the relationship of the allowance for doubtful accounts to accounts receivable,

and current economic conditions. The determination of the collectability of amounts due requires Banzai to make judgments regarding future events and trends. Allowances for doubtful accounts are determined based on assessing Banzai's portfolio on an individual customer and on an overall basis. This process consists of a review of historical collection experience, current aging status of the customer account, and the financial condition of Banzai's customers. Based on a review of these factors, Banzai establishes or adjusts the allowance for specific customers and the accounts receivable portfolios as a whole

Impairment Analysis

Per ASC 350-20-35-28 - impairment test for goodwill, ASC 360 - impairment test for finite-lived assets. Banzai tests its goodwill for impairment on an annual basis. Management selected December 31st as the annual goodwill impairment testing date and performed an assessment for potential impairment of goodwill of its reporting unit. Banzai assessed its long-lived assets for impairment indicators as needed during the years ended December 31, 2021, and 2022 and performed an impairment assessment, as applicable. In accordance with ASC 350-20-35-31, Banzai will first assess the long-lived assets for impairment at each reporting date, prior to the assessment of goodwill. If there exist long-lived assets that are subject to impairment, those assets will be tested prior to the testing of goodwill for that period as well.

Business Combinations

Banzai accounts for business combinations in accordance with FASB ASC 805 ("ASC 805"), Business Combinations. Accordingly, identifiable tangible and intangible assets acquired and liabilities assumed are recorded at their estimated fair values, the excess of the purchase consideration over the fair values of net assets acquired is recorded as goodwill, and transaction costs are expensed as incurred.

***Impact of Accounting Policies and Estimates on Financial Statements***

Banzai believes that the assumptions and estimates associated with but not limited to, revenue recognition, estimates of impairment of long-lived assets, recognition and measurement of the valuation allowance of deferred tax assets resulting from net operating losses, recognition and measurement of convertible and SAFEs, including the valuation of the bifurcated embedded derivatives liabilities, measurement and recognition of stock-based compensation and the valuation of net assets acquired in business combinations net have the most significant impact on our condensed financial statements. Therefore, Banzai considers these to be Banzai's critical accounting policies and estimates.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that estimates made as of the date of the financial statements could change in the near term due to one or more future events. Actual results could differ significantly from these estimates. Significant accounting estimates reflected in Banzai's consolidated financial statements include, but are not limited to, revenue recognition, estimates of impairment of long-lived assets, estimates of an accounts receivable allowance for doubtful accounts, recognition and measurement of the valuation allowance of deferred tax assets resulting from net operating losses, recognition and measurement of convertible and Simple Agreement for Future Equity (SAFE) notes, including the associated embedded derivatives, recognition and measurement of stock compensation, and the valuation of intangible assets acquired in business combination.

***Changes in Accounting Policies or Estimates***

There have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section above titled "*Critical Accounting Policies and Estimates*".

***Recently Issued and Adopted Accounting Pronouncements***

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 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 2020-06") to simplify certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 and should be applied on a full or modified retrospective basis. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Banzai adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU 2020-06 did not have a material impact on Banzai's financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (ASC 842) ("ASU 2016-02"), which supersedes the current accounting for leases and while retaining two distinct types of leases, finance and operating, (i) requires lessees to record a right of use asset and a related liability for the rights and obligations associated with a lease, regardless of lease classification, and recognize lease expense in a manner similar to current accounting, (ii) eliminates most real estate specific lease provisions, and (iii) aligns many of the underlying lessor model principles with those in the new revenue standard. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. Banzai adopted ASU 2016-02 effective January 1, 2022 using the effective date method. Banzai elected the transition package of three practical expedients permitted within the standard, which eliminates the requirements to reassess prior conclusions about lease identification, lease classification and initial direct costs. In addition, Banzai elected the hindsight practical expedient and the practical expedient to combine lease and non-lease components. Further, Banzai adopted a short-term lease exception policy, permitting Banzai to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less).

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments: Credit Losses (Topic 326) ("ASU 2016-13"), which requires measurement and recognition of expected losses for financial assets held. The new standard changes the impairment model for most financial instruments, including trade receivables, from an incurred loss method to a new-forward looking approach, based on expected losses. The estimate of expected credit losses will require organizations to incorporate considerations of historical information, current conditions, and reasonable and supportable forecasts. The standards update is effective prospectively for annual and interim periods beginning after December 15, 2022 for private and smaller reporting companies. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of this standard did not have a material impact on these condensed consolidated financial statements.

***Internal Control Over Financial Reporting***

In connection with the audit of Banzai's financial statements for the year ended December 31, 2022, Banzai, in the course of assessing their ICFR environment, has identified the following material weaknesses. A material weakness is a deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Banzai's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses in our internal control over financial reporting for the year ended and as of December 31, 2022 were as follows:

- Management does not have appropriate IT general control in place over change management, user access, cybersecurity, and reviews of service organizations.
- Management does not have suitable COSO entity level controls in place, including reviews of the financial statements, and certain entity level controls were not performed by management.
- Pervasive transactional and account level reconciliations and analyses are not performed, or not performed with sufficient detail to prevent or detect a material weakness. These issues related to managements controls over the review of complex significant transactions, complex debt and equity, income, and sales taxes, & revenue recognition.

Banzai's remediation efforts for these material weaknesses have included the following:

- Management prioritizes its allocation of resources to ensure that these areas of material weaknesses and hence higher risk areas continue to remain addressed. Current and on-going efforts to alleviate future ICFR issues that could lead to future material weaknesses include, but are not limited to:
- Perform root cause analysis to involve various stakeholders / process owners (head of department or similar) such as IT department & Finance to ensure control risk in each aspect are addressed.
- Align with all stakeholders, such as formalizing an existing operational control into the ICFR, modifying existing processes, and outsourcing certain activities to enhance competency or segregation of duties. All such alternatives are to be regularly evaluated to ensure they address the identified root causes and mitigate the risks.
- Obtain technical expertise from qualified consultants to recommend additional resources, such as people, tools, outsourced services, or other technologies, leading to practical and effective solutions.
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- Management will continue to periodically review feasibility of new and existing controls to assess current or potential effectiveness of risk mitigation alternatives, evaluate resource requirements, estimate return on investment, and recommend adjustments or new courses of action to minimize or remediate risk.
- Hired Controller to adopt and maintain GAAP accounting standards and practices. See the sections titled "*Critical Accounting Policies and Estimates*", "*Impact of Accounting Policies and Estimates on Financial Statements*", and "*Recently Issued and Adopted Accounting Pronouncements*".
- Hired Director of Business Intelligence to improve quality of data infrastructure, management reporting, analytics, and system integration.
- Banzai has been and will continue to design and implement additional automation and integration in its financially significant systems.

Banzai plans to continue to assess its internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies. See the section titled "*Risk Factors - Banzai has identified material weaknesses in its internal control over financial reporting. If New Banzai is unable to remediate these material weaknesses, or if New Banzai identifies additional material weaknesses in the future or otherwise fails to maintain an effective system of internal controls, New Banzai may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect its business and stock price.*

**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 sections entitled "*Executive and Director Compensation of Banzai*" and "*Management of New Banzai After the Business Combination*" beginning on page 226 and page 230, respectively, of the Proxy Statement/Prospectus, which are incorporated herein by reference, as supplemented by the disclosure below.

***Directors***

Effective as of the Effective Time, in connection with the Business Combination, the size of the board of directors of the Company (the "Board") was set at five members. Each of Jack Leeney, Chris Walsh, Tom Hennessy, Courtney Robinson, Kent Schofield, Tripp Jones, Patrick Eggen, and Joseph Beck resigned as directors of the Company effective as of the Effective Time. Effective as of the Effective Time, Joseph Davy, Jack Leeney, Paula Boggs, Mason Ward, and William Bryant were elected to serve as directors on the Board.

Mr. Davy was appointed to serve as a Class I director, with a term expiring at the Company's 2024 annual meeting of stockholders; Messrs. Ward and Bryant were appointed to serve as Class II directors, with terms expiring at the Company's 2025 annual meeting of stockholders; and Ms. Boggs and Mr. Leeney were appointed to serve as Class III directors, with terms expiring at the Company's 2026 annual meeting of stockholders. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section entitled "*Management of New Banzai After the Business Combination*" beginning on page 230 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

***Independence of Directors***

The Board has determined that each of the directors of the Company other than Mr. Davy qualify as independent directors, as defined under the listing rules of The Nasdaq Global Market (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.

***Committees of the Board of Directors***

Effective as of as of the Effective Time, the standing committees of the 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 Board. In connection with the Business Combination, on December 14, 2023, the Board approved and adopted a new charter for each of its standing committees. Copies of the charters can be found in the Investors section of the Company's website at ir.banzai.io.

Under applicable Nasdaq listing rules, the Company is permitted to phase in its compliance with the independence requirements for its Audit Committee. The phase-in periods with respect to director independence allow the Company to have only one independent member on the Audit Committee upon the listing date of New Banzai Common Stock in connection with its initial public offering, a majority of independent members on its Audit Committee within 90 days of such date and a fully independent Audit Committee within one year of such date. The Company is taking advantage of these phase-in rules with respect to Mr. Ward's service on our audit committee and expects that by the first anniversary of the list date of New Banzai Common Stock, the Audit Committee will comply with the applicable independence requirements.

Effective as of the Effective Time, the Board appointed Mr. Bryant, Mr. Ward and Ms. Boggs to serve on the Audit Committee, with Mr. Bryant as chair of the Audit Committee. The Board appointed Messrs. Ward and Bryant and Ms. Boggs to serve on the Compensation Committee, with Mr. Ward as chair of the Compensation Committee. The Board appointed Messrs. Ward and Leeney and Ms. Boggs to serve on the Nominating and Corporate Governance Committee, with Mr. Boggs as chair of the Nominating and Corporate Governance Committee. Information with respect to the Company's corporate governance structure (as updated by the information set forth in this section) is set forth in the Proxy Statement/Prospectus in the sections entitled "*Management of New Banzai After the Business Combination*" beginning on page 230 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

***Executive Officers***

Effective as of the Effective Time, in connection with the Business Combination, the Board appointed the following individuals as the Company's executive officers: Joseph Davy as Chief Executive Officer, Mark Musburger as Chief Financial Officer, Simon Baumer as Chief Technology Officer, Ashley Levesque as Vice President of Marketing, and Rachel Stanley as Vice President of Customer Experience. The biographical information for the new executive officers set forth in the Proxy Statement/Prospectus in the section entitled "*Management of New Banzai After the Business Combination*" beginning on page 230 of the Proxy Statement/Prospectus and the information related to the appointment of Mr. Musburger as Chief Financial Officer set forth in Item 5.02 of the Current Report on Form 8-K filed by the Company on December 15, 2023 are each incorporated herein by reference.

**Executive and Director Compensation**

Information with respect to the compensation of Joseph Davy, Simon Baumer, Ashley Levesque, and Rachel Stanley and the Company's directors is set forth in the Proxy Statement/Prospectus in the sections entitled "*Executive and Director Compensation of Banzai*" beginning on page 226 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The Company established a director compensation policy in connection with the Closing.

The information set forth in Item 5.02 of this Current Report on Form 8-K is incorporated herein by reference.

**Security Ownership of Certain Beneficial Owners and Management**

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

- each person who is known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Common Stock;
- each current named executive officer and director of the Company; and

- all current executive officers and directors of the Company, as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days.

The beneficial ownership percentages set forth in the table below are based on 12,594,195 New Banzai Class A Shares and 2,311,134 New Banzai Class B Shares issued and outstanding as of the Closing Date and do not take into account (i) the issuance of any New Banzai Class A Shares upon the exercise of the public warrants, each exercisable for one New Banzai Class A Shares at a price of $11.50 per share (the "Warrants"), to purchase 11,500,000 New Banzai Class A Shares, (ii) any exercise of New Banzai Options to purchase 791,843 New Banzai Class A Shares (subject to any applicable vesting conditions), (iii) the issuance of any shares pursuant to the Fee Reduction Agreement, dated November 8, 2023, by and between Cantor Fitzgerald and 7GC (the "Fee Reduction Agreement"), (iv) the transfer by the Sponsor to Cohen of shares of 7GC Class B Common Stock pursuant to the Cohen Engagement Letter, (v) the issuance of any shares in connection with any Advances under the SEPA, (vi) the issuance of any shares pursuant to the GEM Warrant or any GEM convertible debenture issued pursuant to the GEM Letter and (vii) the issuance of any shares pursuant to those Convertible Promissory Notes dated as of February 19, 2021 and October 10, 2022, issued by Legacy Banzai to CP BF Lending, LLC (the "Senior Convertible Notes") or those certain unsecured convertible promissory notes, dated as of December 21, 2022 and October 3, 2023, issued by 7GC to the Sponsor (the "7GC Promissory Notes"). 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 Banzai Common Stock.

| Name and Address of Beneficial Owner† | Number of Shares of Common Stock Beneficially Owned | Percentage of Outstanding Common Stock % |
|---|---|---|
| ***Directors and Named Executive Officers:*** | | |
| Jack Leeney (1) | 4,428,499 | 29.7% |
| Joseph Davy (2) | 2,311,134 | 15.5% |
| Simon Baumer (3) | 44,178 | *% |
| Ashley Levesque (4) | 50,581 | *% |
| Rachel Stanley (5) | 42,615 | *% |
| Mason Ward (6) | 2,421,431 | 16.3% |
| Paula Boggs | — | — |
| Mark Musburger (7) | 30,733 | *% |
| William Bryant | 26,228 | *% |
| **All Directors and Executive Officers of the Company as a Group (9 Individuals)** | 9,355,399 | 62.8% |
| ***Five Percent or Greater Holders***: | | |
| 7GC & Co. Holdings LLC (1) | 4,428,499 | 29.7% |
| ALCO Investment Company (6) | 2,396,261 | 16.1% |
| Entities Affiliated with DNX Partners (8) | 1,251,786 | 8.4% |
| Estate of Roland A. Linteau, III | 1,573,538 | 10.6% |

* Less than one percent.

† Unless otherwise noted, the business address of each of the following individuals after the Closing is c/o Banzai International, Inc., 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110.

(1) The Sponsor is the record holder of such shares. VII Co-Invest Sponsor LLC and HC 7GC Partners I LLC are the managing members of the Sponsor. VII Co-Invest Sponsor LLC is managed by SP Global Advisors LLC, which is managed by Mr. Leeney. Each of Mr. Hennessy and Mr. Beck are the managing members of HC 7GC Partners I LLC. As such, each of the foregoing individuals have voting and investment discretion with respect to the common stock held of record by the Sponsor and may be deemed to have shared beneficial ownership of the 7GC Common Stock held

directly by the Sponsor. Each such entity or person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. The business address is 388 Market Street, Suite 1300, San Francisco, CA 94111.

(2) Consists of 2,311,134 New Banzai Class B Shares. Each New Banzai Class B Share entitles its holder to ten votes on all matters presented to our stockholders generally, which will have the effect of concentrating the majority of the aggregate voting power of New Banzai Common Stock at the Closing with Mr. Davy (approximately 64.7% of the aggregate voting power).

(3) Consists of options to purchase 44,178 New Banzai Class A Shares exercisable within 60 days of December 14, 2023.

(4) Consists of options to purchase 10.705 New Banzai Class A Shares and options to purchase 39,876 New Banzai Class A Shares exercisable within 60 days of December 14, 2023.

(5) Consists of 5,992 New Banzai Class A Shares and options to purchase 36,623 New Banzai Class A Shares exercisable within 60 days of December 14, 2023.

(6) Consists of 25,170 New Banzai Class A Shares held directly by Mason Ward and 2,396,261 New Banzai Class A Shares held directly by ALCO Investment Company ("ALCO"). Mason Ward is the Chief Financial Officer of ALCO and, in such capacity, has voting and investment control over the shares held by ALCO such that Mason Ward may be deemed to indirectly beneficially own the shares owned directly by ALCO. The address of the entity listed above is 33930 Weyerhaeuser Way S., Suite 150, Federal Way, Washington 98001.

(7) Consists of options to purchase 36,623 New Banzai Class A Shares exercisable within 60 days of December 14, 2023.

(8) Consists of (i) 916,289 New Banzai Class A Shares held by DNX Partners III, LP ("DNX III"), (ii) 320,645 New Banzai Class A Shares held by DNX Partners Japan III, LP ("DNX Japan III") and (iii) 14,852 New Banzai Class A Shares held by DNX Partners S-III, LP ("DNX S-III"). NEX III, LLC ("NEX III") is the general partner of DNX III and DNX Japan III, and NEX Partners S3, LLC ("NEX S3") is the general partner of DNX S-III. Mitch Kitamura is the Managing Partner of DNX Partners and a Manager of each of NEX III and NEX S3 and, in such capacity, has voting and investment control over the shares held by DNX III, DNX Japan III and DNX S-III such that Mr. Kitamura may be deemed to indirectly beneficially own the shares owned directly by DNX III, DNX Japan III and DNX S-III. The address of the persons and entities listed above is 55 East 3rd Avenue, San Mateo, California 94401.

**Certain Relationships and Related Transactions**

The certain relationships and related party transactions of the Company are described in the Proxy Statement/Prospectus in the section entitled "*Certain Relationships and Related Person Transactions*" beginning on page 242 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

**Legal Proceedings**

Information about legal proceedings is set forth in the Proxy Statement/Prospectus in the section "*Information About Banzai—Legal Proceedings*" on page 201 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

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

***Market Information and Holders***

Units of 7GC, the 7GC Class A Common Stock and the public warrants of 7GC were historically quoted on The Nasdaq Capital Market under the symbols "VIIAU," "VII" and "VIIAW," respectively. On December 15, 2023, the New Banzai Class A Shares and Warrants began trading on The Nasdaq Global Market and The Nasdaq Capital Market, respectively, under the new trading symbols "BNZI" and "BNZIW," respectively. On December 14, 2023, in connection with the Closing, all of the units previously issued by 7GC separated into their component parts of one share of 7GC Class A Common Stock and one-half of one 7GC warrant to purchase one share of 7GC Class A Common Stock, and the units ceased trading on The Nasdaq Capital Market.

As of the Closing Date and immediately following the completion of the Business Combination, there were approximately 12,594,195 New Banzai Class A Shares issued and outstanding held of record by 83 holders, and approximately 11,500,000 Warrants outstanding held of record by 1 holder. Reference is made to the disclosure set forth above in the section entitled "*Security Ownership of Certain Beneficial Owners and Management*" of this Current Report on Form 8-K concerning effect of the Business Combination on the amount and percentage of present holdings of the Company's securities owned beneficially by certain beneficial owners and management, which is incorporated herein by reference.

***Dividends***

The Company has not paid any cash dividends on the Common Stock to date. The Company may retain future earnings, if any, for future operations, expansion and debt repayment and has no current plans to pay cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board may deem relevant. In addition, the Company's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness the Company or its subsidiaries incur. The Company does not anticipate declaring any cash dividends to holders of the Common Stock in the foreseeable future.

***Securities Authorized for Issuance Under the EIP and the ESPP***

In connection with the Business Combination, 7GC's stockholders approved and adopted the EIP (as defined herein) and the ESPP (as defined herein) at the Special Meeting on December 13, 2023. The Company intends to file one (1) or more registration statements on Form S-8 under the Securities Act of 1933 (the "Securities Act") to register the New Banzai Class A Shares issuable under the EIP and the ESPP.

**Recent Sales of Unregistered Securities**

Reference is made to the disclosure 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, which is incorporated herein by reference.

**Description of Registrant's Securities to be Registered**

***Common Stock***

A description of the New Banzai Common Stock is included in the Proxy Statement/Prospectus in the section entitled "*Description of New Banzai Securities—Common Stock*" beginning on page 247 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

***Preferred Stock***

A description of the Company's Preferred Stock is included in the Proxy Statement/Prospectus in the section entitled "*Description of New Banzai Securities—Preferred Stock*" beginning on page 249 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

***Warrants***

A description of the Company's Warrants is included in the Proxy Statement/Prospectus in the section entitled "*Description of New Banzai Securities—Warrants*" beginning on page 249 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 "*Management of New Banzai After the Business Combination—Limitation on Liability and Indemnification of Directors and Officers*" beginning on page 236 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The disclosure set forth in Item 1.01 of this Current Report on Form 8-K under the section entitled "*Indemnification Agreements*" is incorporated by reference into this Item 2.01.

**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**

Reference is made to the disclosure set forth under Item 4.01 of this Current Report on Form 8-K relating to the changes in certifying accountant.

**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.**

The disclosure set forth in the section entitled "*Introductory Note*" in this Current Report on Form 8-K is incorporated herein by reference.

Upon the Closing, each outstanding share of 7GC's Class B Common Stock automatically converted into one (1) share of 7GC Class A Common Stock, and pursuant to the A&R Charter (as defined below), each outstanding share of 7GC Class A Common Stock continued as one (1) validly issued, fully paid and non-assessable share of 7GC Class A Common Stock.

The securities issued in connection with the Non-Redemption Agreements, the Share Transfer Agreement, and the GEM Warrant, and the automatic conversion of the shares of 7GC Class B Common Stock 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.

**Item 3.03 Material Modification to Rights of Security Holders**

On the Closing Date, in connection with the closing of the Business Combination, the Company filed its Second Amended and Restated Certificate of Incorporation (as amended and restated, the "***A&R Charter***") with the Secretary of State of the State of Delaware and amended and restated the Company's amended and restated bylaws (as amended and restated, the "***A&R Bylaws***"). The material terms of each of the A&R Charter and the A&R Bylaws and the general effect upon the rights of holders of the Company's capital stock are discussed in the Proxy Statement/Prospectus in the sections entitled "*Stockholder Proposal No. 2 — Binding Charter Proposals*," "*Stockholder Proposal No. 3 — The Advisory Charter Proposals*," "*Description of New Banzai Securities,*" and "*Comparison of Stockholder Rights*" beginning on pages 141, 144, 247 and 260 thereof, respectively, which are incorporated herein by reference.

The foregoing description of the A&R Charter and A&R Bylaws is a summary only and is qualified in its entirety by the full text of the A&R Charter and A&R Bylaws, copies of which are attached hereto as Exhibit 3.1 and Exhibit 3.2, respectively, and are incorporated herein by reference.

**Item 4.01 Changes in Registrant's Certifying Accountant.**

(a) *Dismissal of Independent Registered Public Accounting Firm*

On the Closing Date, the Audit Committee approved the dismissal of WithumSmith+Brown, PC, an independent registered public accounting firm of 7GC ("Withum"), effective on December 14, 2023.

Withum's reports on 7GC's consolidated financial statements as of and for the fiscal years ended December 31, 2022 and December 31, 2021 did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles except that such report contained an explanatory paragraph which noted that there was substantial doubt as to 7GC's ability to continue as a going concern because of 7GC's liquidity condition and date for mandatory liquidation.

During 7GC's fiscal years ended December 31, 2022 and December 31, 2021, and the subsequent interim period through the date of Withum's dismissal, there were: (i) no "disagreements" (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between 7GC and Withum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Withum, would have caused Withum to make reference to the subject matter of the disagreement in connection with its reports on 7GC's consolidated financial statements for such years or any subsequent interim period through the date of dismissal, and (ii) no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K).

In accordance with Item 304(a)(3) of Regulation S-K, the Company provided Withum with a copy of this Current Report on Form 8-K and requested that Withum furnish the Company with a letter addressed to the SEC stating whether it agrees with the above statements and, if not, stating the respects in which it does not agree. Attached as Exhibit 16.1 hereto is a copy of Withum's letter dated December 20, 2023.

(b) *Newly Appointed Independent Registered Public Accounting Firm*

On the Closing Date, the Audit Committee approved the appointment of Marcum LLP ("Marcum") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ended December 31, 2023. Marcum served as the independent registered public accounting firm of Legacy Banzai prior to the Business Combination.

During Legacy Banzai's fiscal years ended December 31, 2022 and December 31, 2021, and the subsequent interim period through December 14, 2023, neither Legacy Banzai, nor someone on its behalf, consulted Marcum regarding 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 with respect to the consolidated financial statements of Legacy Banzai, and neither a written report nor oral advice was provided to Legacy Banzai by Marcum that Marcum concluded was an important factor considered by Legacy Banzai in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a "disagreement" (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) or a "reportable event" (as that term is described in Item 304(a)(1)(v) of Regulation S-K).

**Item 5.01. Changes in Control of the Registrant.**

The information set forth in the sections entitled "*Introductory Note*" and "*Security Ownership of Certain Beneficial Owners and Management*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

As a result of the completion of the Business Combination pursuant to the Merger Agreement, effective as of the Closing Date, a change of control of 7GC has occurred, and the stockholders of 7GC as of immediately prior to the Closing held 31.2% of the outstanding shares of New Banzai 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*" and "*Certain Relationships and Related Transactions*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Banzai International, Inc. 2023 Equity Incentive Plan**

At the Special Meeting, 7GC's stockholders considered and approved the Banzai International, Inc. 2023 Equity Incentive Plan (the "EIP"). The EIP was previously approved, subject to stockholder approval, by the board of directors of 7GC on November 13, 2023, and on the Closing Date, the Board ratified the approval of the EIP. The EIP became effective immediately upon the Closing.

A description of the EIP is included in the Proxy Statement/Prospectus in the section entitled "*Stockholder Proposal No. 6—The Incentive Plan Proposal*" beginning on page 149 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The foregoing description of the EIP is qualified in its entirety by the full text of the EIP, which is attached hereto as Exhibit 10.10 and incorporated herein by reference.

**Banzai International, Inc. 2023 Employee Stock Purchase Plan**

At the Special Meeting, 7GC's stockholders considered and approved the Banzai International, Inc. 2023 Employee Stock Purchase Plan (the "ESPP"). The ESPP was previously approved, subject to stockholder approval, by the Board on November 13, 2023 and on the Closing Date, the Board ratified the approval of the ESPP. The ESPP became effective immediately upon the Closing.

A description of the ESPP is included in the Proxy Statement/Prospectus in the section entitled "*Stockholder Proposal No. 7—The ESPP Proposal*" beginning on page 158 of the Proxy Statement/Prospectus, which is incorporated herein by reference. The foregoing description of the ESPP is qualified in its entirety by the full text of the ESPP, which is attached hereto as Exhibit 10.11 and incorporated herein by reference.

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

The information set forth in Item 3.03 of this Current Report on Form 8-K is 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 December 14, 2023, the 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 ir.banzai.io.

**Item 5.06. Change in Shell Company Status.**

As a result of the First Merger, which fulfilled the definition of a business combination as required by the Amended and Restated Certificate of Incorporation of the Company, as in effect immediately prior to the Closing, the Company 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 "*Stockholder Proposal No. 1—The Business Combination Proposal*" beginning on page 92 of the Proxy Statement/Prospectus, which is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

**(a) Financial Statements of Businesses Acquired.**

The unaudited condensed consolidated financial statements of Legacy Banzai as of September 30, 2023 and for the nine months ended September 30, 2023 and September 30, 2022 and the related notes are set forth in Exhibit 99.1 and are incorporated herein by reference.

The audited consolidated financial statements of Legacy Banzai as of and for the years ended December 31, 2022 and December 31, 2021 and the related notes are included in the Proxy Statement/Prospectus beginning on page F-82 of the Proxy Statement/Prospectus and are incorporated herein by reference.

The unaudited condensed consolidated financial statements of 7GC as of September 30, 2023 and for the nine months ended September 30, 2023 and September 30, 2022 and the related notes are incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 filed with the SEC by 7GC on November 21, 2023.

The audited consolidated financial statements of 7GC as of and for the years ended December 31, 2022 and December 31, 2021 and the related notes are included in the Proxy Statement/Prospectus beginning on page F-27 of the Proxy Statement/Prospectus and are incorporated herein by reference.

**(b) Pro Forma Financial Information.**

The unaudited pro forma condensed combined financial information of the Company as of and for the nine months ended September 30, 2023 and for the year ended December 31, 2022 is set forth in Exhibit 99.2 hereto and is incorporated herein by reference.

**(d) Exhibits.**

| Exhibit No. | Description |
|---|---|
| 2.1+** | Agreement and Plan of Merger, dated December 8, 2022, by and among Legacy Banzai, 7GC, First Merger Sub and Second Merger Sub (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 2.2** | Amendment to Agreement and Plan of Merger, dated August 4, 2023, by and among Legacy Banzai and 7GC (incorporated by reference to Exhibit 2.2 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 3.1 | Second Amended and Restated Certificate of Incorporation of the Company, dated December 14, 2023. |
| 3.2 | Second Amended and Restated Bylaws of the Company, dated December 14, 2023. |
| 4.1 | Specimen Class A Common Stock Certificate of the Company. |
| 4.2 | Specimen Class B Common Stock Certificate of the Company. |
| 4.3 | Specimen Warrant Certificate of the Company. |
| 4.4** | Amended and Restated Convertible Promissory Note, by and among Banzai and CP BF Lending, LLC (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form S-4 filed on August 30, 2023). |
| 4.5 | Subordinated Promissory Note, dated December 13, 2023, issued by the Company to Alco Investment Company. |
| 4.6** | Promissory Note, dated as of December 14, 2023, issued by Banzai International, Inc. (f/k/a 7GC & Co. Holdings Inc.) to YA II PN, LTD (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on December 18, 2023). |
| 4.7 | Warrant to Purchase Shares of Common Stock of Banzai International, Inc., dated December 15, 2023, issued by the Company to GEM Yield Bahamas Limited. |
| 4.8 | Letter of understanding, dated as of December 14, 2023, by and between the Company and GEM |

| | |
|---|---|
| 4.9** | Warrant Agreement, dated December 22, 2020, by and between 7GC and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on December 28, 2020). |
| 10.1** | Form of Non-Redemption Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 16, 2023). |
| 10.2** | Sponsor Forfeiture Agreement, dated August 4, 2023, by and among Legacy Banzai, 7GC and the Sponsor (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 10.3** | Standby Equity Purchase Agreement, dated December 14, 2023, by and among the Company, Banzai Operating Co LLC and YAA II PN, LTD (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on December 18, 2023). |
| 10.4** | Registration Rights Agreement, dated as of December 14, 2023, by and between the Company and YA II PN, LTD (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on December 18, 2023). |
| 10.5 | Share Transfer Agreement, dated December 13, 2023, by and among the Company, the Sponsor and Alco Investment Company. |
| 10.6 | Amended and Restated Registration Rights Agreement, dated December 14, 2023, by and among the Company, the Sponsor, certain stockholders of the Company. |
| 10.7** | Form of Lock-Up Agreement, by and between the Company and certain stockholders and executives of Legacy Banzai (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 10.8# | Form of Indemnification Agreement by and between the Company and its directors and officers. |
| 10.9** | Forbearance Agreement, dated August 24, 2023, by and among Banzai International, Inc., the guarantors party to the Loan Agreement (as defined therein), and CP BF Lending, LLC (incorporated by reference to Exhibit 10.18 to the Registration Statement on Form S-4 filed on August 30, 2023). |
| 10.10#** | Banzai International, Inc. 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 10.11#** | Banzai International, Inc. 2023 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-4 filed on August 31, 2023). |
| 16.1 | Letter from Withum re change in certifying accountant. |
| 99.1 | Unaudited condensed consolidated financial information of Banzai International, Inc. as of September 30, 2023 and for the nine months ended September 30, 2023 and September 30, 2022. |
| 99.2 | Unaudited pro forma condensed combined financial information of the Company as of September 30, 2023 and for the nine months ended September 30, 2023 and September 30, 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.

** Indicates previously filed.

# Indicates management contract or compensatory plan or arrangement.

**SIGNATURE**

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

Dated: December 20, 2023

**BANZAI INTERNATIONAL, INC.**

By: /s/ Joseph Davy
Joseph Davy
Chief Executive Officer

**Exhibit 3.1**

**SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

**OF**

**7GC & CO. HOLDINGS INC.**

7GC & Co. Holdings Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies that:

1. The name of this corporation is 7GC & Co. Holdings Inc. and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was September 18, 2020, as amended and restated by the Amended and Restated Certificate of Incorporation of this corporation filed with the Secretary of State of the State of Delaware on December 22, 2022 (the "Amended and Restated Certificate").

2. This Second Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of 7GC & Co. Holdings Inc. This Second Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL (as defined below) by the stockholders of the Company.

3. The Amended and Restated Certificate is hereby amended and restated in its entirety to read as follows:

**ARTICLE I**

The name of the corporation is Banzai International, Inc. (hereinafter called the "**Corporation**").

**ARTICLE II**

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Zip Code 19801. The name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

**ARTICLE III**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware or any applicable successor act thereto, as the same may be amended from time to time (the "**DGCL**").

**ARTICLE IV**

**Capital Stock**

The total number of shares of all classes of capital stock that the Corporation is authorized to issue is 350,000,000 shares, consisting of (i) 250,000,000 shares of Class A common stock, par value $0.0001 per share (the "**Class A Common Stock**"), (ii) 25,000,000 shares of Class B common stock, par value $0.0001 per share (the "**Class B Common Stock**" and together with Class A Common Stock, "**Common Stock**"), and (iii) 75,000,000 shares of preferred stock, par value $0.0001 per share ("**Preferred Stock**"). Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of any of the Common Stock or Preferred Stock 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 in voting power of the capital stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL, and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

A. Class A Common Stock and Class B Common Stock. The powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations and restrictions of the Class A Common Stock and Class B Common Stock are as follows:

1. Equal Status; Ranking. Except as otherwise provided in this Certificate of Incorporation (as amended from time to time, including the terms of any Preferred Stock Designation (as defined below), this "**Certificate of Incorporation**") or required by applicable law, shares of Class A Common Stock and Class B Common Stock will have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the Corporation), share ratably and be identical in all respects and as to all matters. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors of the Corporation (the "**Board**") upon any issuance of the Preferred Stock of any series.

2. Voting.

(a) Except as otherwise expressly provided by this Certificate of Incorporation, as provided by law or by the resolution(s) or any Preferred Stock Designation providing for the issue of any series of Preferred Stock, the holders of shares of Class A Common Stock and Class B Common Stock will (i) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote or to be acted upon by written consent (if action by written consent of the stockholders is not prohibited at such time under this Certificate of Incorporation) of the stockholders of the Corporation, (ii) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (as amended from time to time, the "**Bylaws**"), and (iii) be entitled to vote upon such matters and in such manner as may be provided by applicable law. Except as otherwise expressly provided herein or required by applicable law, each holder of Class A Common Stock will have the right to one (1) vote per share of Class A Common Stock held of record by such holder and each holder of Class B Common Stock will have the right to ten (10) votes per share of Class B Common Stock held of record by such holder, in each case, on each matter properly submitted to the stockholders of the Corporation on which the holders of the Common Stock are entitled to vote.

(b) Except as otherwise provided by law or by the resolution(s) or any Preferred Stock Designation providing for the issue of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall have the exclusive right to vote for the election and removal of directors and for all other purposes. Notwithstanding any other provision of this Certificate of Incorporation to the contrary, the holders of Common Stock shall not be entitled to vote or act by written consent (if action by written consent of the stockholders is not prohibited at such time under this Certificate of Incorporation) on any amendment to this Certificate of Incorporation (including any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock unless 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 pursuant to this Certificate of Incorporation (including any Preferred Stock Designation) or the DGCL.

3. Dividends. Subject to the rights of the holders of Preferred Stock, the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to receive such dividends and distributions and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board from time to time, out of assets or funds of the Corporation legally available therefor. The holders of shares of Class A Common Stock and Class B Common Stock will be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board out of any assets of the Corporation legally available therefor; provided, however, that in the event a dividend is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then the holders of Class A Common Stock will receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be) and the holders of Class B Common Stock will receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with the holders of shares of Class A Common Stock and Class B

Common Stock receiving, on a per share basis, the same number of shares of Class A Common Stock or Class B Common Stock, as applicable. Notwithstanding the foregoing, the Board may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in advance by the holders of a majority of the outstanding shares of Class A Common Stock and the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

4. Subdivisions or Combinations. Shares of Class A Common Stock or Class B Common Stock may not be subdivided, combined or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership and voting rights between the holders of the outstanding Class A Common Stock and the holders of the outstanding Class B Common Stock on the record date for such subdivision, combination or reclassification; provided, however, that shares of one such class may be subdivided, combined or reclassified in a different or disproportionate manner if such subdivision, combination or reclassification is approved in advance by the holders of a majority of the outstanding shares of Class A Common Stock and the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

5. No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

6. Liquidation. Subject to applicable law and the rights of the holders of Preferred Stock, holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to receive ratably the assets and funds of the Corporation available for distribution in the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by holders of a majority of the outstanding shares of Class A Common Stock and the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

7. Issuance of Class B Common Stock. Shares of Class B Common Stock may be issued only to, and registered in the name of, (i) Joseph Davy (the "**Founder**") and/or (ii) any Permitted Class B Owner (as defined below).

8. Conversion of Class B Common Stock.

(a) All shares of Class B Common Stock shall (1) automatically and without further action on the part of the Corporation or any holder of Class B Common Stock be converted into an equal number of fully paid and nonassessable shares of Class A Common Stock upon any Transfer of such shares of Class B Common Stock, except for a Permitted Transfer; and (2) be subject to conversion into an equal number of fully paid and nonassessable shares of Class A Common Stock upon adoption of a resolution by the Board at any time on or after the ninety-day anniversary of the earliest date (the "**Founder Termination Anniversary Date**") that any of the following conditions (the "**Trigger Conditions**") are satisfied: (A) the Founder's employment as Chief Executive Officer being terminated for Cause or due to death or Permanent Disability, (B) the Founder's resignation (other than for Good Reason) as the Chief Executive Officer of the Corporation or (C) the Founder no longer serves as a member of the Board; provided, however, that if the Founder is reinstated as the Chief Executive Officer of the Corporation or is reelected or appointed to serve as a member of the Board prior to the Founder Termination Anniversary Date (each a "**Reset Event**"), then the shares of Class B Common Stock may not be converted pursuant to clause (2) of Section A.8(a) of this Article IV unless and until the ninety-day anniversary of the date that any Trigger Condition is subsequently met (such date, the "**Next Founder Termination Anniversary Date**"); provided, further, that in the event of a subsequent Reset Event, the Next Founder Termination Anniversary Date will extend until the ninety-day anniversary of the date that any Trigger Condition is subsequently met without a Reset Event occurring prior to such anniversary. Upon a Transfer of Class B Common Stock upon divorce by settlement, order or decree, or as required by a domestic relations settlement, order or decree, then any shares of Class B Common Stock Transferred thereby shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock be converted into an equal number of fully paid and nonassessable shares of Class A Common Stock; provided, however, that any other outstanding shares of Class B Common Stock not so Transferred

shall not be automatically converted into Class A Common Stock and shall remain outstanding irrespective of such automatic conversion and such Transfer in accordance with the terms hereof. For the avoidance of doubt, the Transfer of any Class B Common Stock by the Founder to any trust or entity for the benefit of or controlled by the Founder for estate planning purposes shall not trigger an automatic conversion as described in the preceding sentence.

(b) In addition, upon delivery by the Founder of written notice (a "**Conversion Notice**") to the Corporation at any time requesting the conversion of all or a portion of the Class B Common Stock held by the Founder, the Corporation shall, without further action on the part of the Corporation or any holder of Class B Common Stock, be converted into an equal number of fully paid and nonassessable shares of Class A Common Stock (a "**Voluntary Conversion**"). The election by the Founder to effect a Voluntary Conversion shall be irrevocable.

(c) Each outstanding stock certificate that, immediately prior to such conversion, represented one or more shares of Class B Common Stock subject to such conversion will, upon such conversion, be deemed to represent an equal number of shares of Class A Common Stock, without the need for surrender or exchange thereof. The Corporation will, upon the request of any holder whose shares of Class B Common Stock have been converted into shares of Class A Common Stock as a result of such conversion and upon surrender by such holder to the Corporation of the outstanding certificate(s) formerly representing such holder's shares of Class B Common Stock (if any), issue and deliver to such holder certificate(s) representing the shares of Class A Common Stock into which such holder's shares of Class B Common Stock were converted as a result of such conversion (if such shares are certificated) or, if such shares are uncertificated or the stockholder otherwise consents, register such shares in book-entry form.

(d) Following any such conversion, the reissuance of shares of Class B Common Stock shall be prohibited, and such shares of Class B Common Stock will be retired by the Corporation and cancelled in accordance with the DGCL and the filing with the Delaware Secretary of State required thereby. Upon such retirement and filing, all references herein to Class A Common Stock will be deemed to be references to Common Stock. Each outstanding stock certificate that, immediately prior to such retirement and filing, represented one or more shares of Class A Common Stock will, following such retirement and filing, be deemed to represent an equal number of shares Common Stock, without the need for surrender or exchange thereof.

(e) If the Corporation has reason to believe that a Transfer giving rise to a conversion of shares of Class B Common Stock into Class A Common Stock has occurred but has not theretofore been reflected on the books of the Corporation, the Corporation may request that the holder of such shares furnish affidavits or other evidence to the Corporation as the Corporation deems necessary to determine whether a conversion of shares of Class B Common Stock to Class A Common Stock has occurred, and if such holder does not, within twenty-five (25) days after the date of such request, furnish sufficient evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that no such conversion has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock as of the date of the transfer in question and the same will thereupon be registered on the books, records and stock ledger of the Corporation. In connection with any action of stockholders taken at a meeting or by written consent (if action by written consent of the stockholders is not prohibited at such time under this Certificate of Incorporation), the stock ledger of the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders and the class or classes or series of shares held by each such stockholder and the number of shares of each class or classes or series held by such stockholder.

9. Definitions. For purposes of this Article IV of this Certificate of Incorporation,

(a) "**Cause**" means (i) the Founder's unauthorized use or disclosure of the Corporation's confidential information or trade secrets, which use or disclosure causes material harm to the Corporation, (ii) the Founder's material breach of any agreement with the Corporation, (iii) the Founder's material failure to comply with the Corporation's written policies or rules (including without limitation the Corporation's ethics or insider trading policies), (iv) the Founder's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State, (v) the Founder's gross negligence or willful misconduct in the performance of the Founder's duties for the Corporation (with financial accounting improprieties deemed to constitute gross negligence

or willful misconduct), (vi) the Founder's continuing failure to perform reasonable assigned duties in accordance with the Founder's position with the Corporation after receiving written notification of the failure from the Corporation or (vii) the Founder's failure to cooperate in good faith with a governmental or internal investigation of the Corporation or Its directors, officers or employees, if the Corporation has requested such cooperation; provided, however, that with respect to clauses (ii), (v), (vi) and (vii), Cause will not be deemed to exist unless the Founder is provided written notice by the Corporation of the condition constituting Cause within 30 days after such condition arises (or the Corporation becomes aware of such condition) and the Founder fails to cure such condition within 30 days after receipt of such written notice.

(b) "**Change of Control**" means (i) a merger or consolidation of the Corporation with or into any other company or other entity; (ii) a sale, in one transaction or a series of transactions undertaken with a common purpose, of a majority of the Corporation's outstanding voting securities; or (iii) a sale, lease, exchange or other transfer, in one transaction or a series of related transactions undertaken with a common purpose, of all or substantially all of the Corporation's assets. Notwithstanding the foregoing, a Change of Control shall not include (i) a merger or consolidation of the Corporation in which the holders of the outstanding voting securities of the Corporation immediately prior to the merger or consolidation hold at least a majority of the outstanding voting securities of the successor Corporation immediately after the merger or consolidation; (ii) a sale, lease, exchange or other transfer of all or substantially all of the Corporation's assets to a majority-owned subsidiary company; (iii) a transaction undertaken for the principal purpose of restructuring the capital of the Corporation, including, but not limited to, reincorporating the Corporation in a different jurisdiction, converting the Corporation to a limited liability company or creating a holding company; or (iv) a transaction or series of related transactions that is a bona fide equity financing for capital raising purposes in which the Corporation issues equity securities. Where a series of transactions undertaken with a common purpose is deemed to be a Change of Control, the date of such Change of Control shall be the date on which the last of such transactions is consummated.

(c) "**Good Reason**" means a "separation from service" as defined in the regulations under Section 409A of the U.S. Internal Revenue Code of 1986, as amended, as a result of the Founder's resignation within 12 months after one of the following conditions has come into existence or the Founder becomes aware of such condition, in either case without the Founder's consent: (i) a material diminution of the Founder's base salary in effect prior to such reduction (other than a reduction that is part of an across-the-board reduction applicable to all senior executives of the Corporation), provided that a reduction of less than 10% of the Founder's Base Salary will not be considered a material reduction; (ii) a material diminution of the Founder's duties, authorities or responsibilities (including a change in position) or of those of the individual to which the Founder reports; (iii) a material change in the geographic location at which the Founder must perform services for the Corporation that increases the Founder's one-way commute by more than 35 miles; or (iv) a change in the Founder's reporting to anyone other than the Board; provided that in the case of (ii) following a Change of Control, neither a mere change in title alone nor reassignment to a position that is comparable to the status and position held prior to the Change of Control shall constitute a material reduction in duties, authorities or responsibilities. A resignation for Good Reason will not be deemed to have occurred unless the Founder gives the Corporation written notice of the condition within 90 days after the condition comes into existence (or, if later, within 90 days after the Founder becomes aware of such event) and the Corporation fails to remedy the condition within 30 days after receiving such written notice.

(d) "**Permanent Disability**" means a permanent and total disability such that the Founder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which would reasonably be expected to result in death within twelve (12) months or which has lasted or would reasonably be expected to last for a continuous period of not less than twelve (12) months as determined by a licensed medical practitioner.

(e) "**Permitted Class B Owner**" means any corporation, limited liability company, partnership, foundation or similar entity wholly-owned (directly or indirectly) by the Founder (including all subsequent successors and assigns), or any trust for the benefit of the Founder, or of which the Founder is a trustee or has sole or shared voting power such that the Founder has Voting Control over the shares held therein; provided that, in each case, the Founder has sole dispositive power and the exclusive right to direct the voting of all of the shares of Class B Common Stock held by such entity and the Transfer to the transferee does not involve any payment of cash, securities, property or other consideration (other than an interest in such entity) to the Founder.

(f) "**Permitted Transfer**" means any Transfer of a share of Class B Common Stock:

(i) by the Founder to a Permitted Class B Owner; or

(ii) by a Permitted Class B Owner to the Founder or any other Permitted Class B Owner.

(g) "**Transfer**" of a share of Class B Common Stock means any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition, whether direct or indirect, of such share of Class B Common Stock or any legal or beneficial interest in such share of Class B Common Stock, whether or not for value and whether voluntary or involuntary or by operation of law (including by merger, consolidation or otherwise), including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise (other than proxy(ies), voting instruction(s) or voting agreement(s) solicited on behalf of the Board). Notwithstanding the foregoing, the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares shall not be considered a "Transfer" within the meaning of this Article IV; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a "Transfer" unless such foreclosure or similar action independently qualifies as a "Permitted Transfer" at such time. A "Transfer" shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by the transferor, if there occurs any act or circumstance that causes such transfer to not be a Permitted Transfer.

(h) "**Voting Control**" with respect to a share of Class B Common Stock means the power (whether exclusive or shared) to vote or direct the voting of such share of Class B Common Stock by proxy, voting agreement or otherwise.

10. Reservation of Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as will from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

11. Protective Provisions. So long as any shares of Class B Common Stock remain outstanding, the Corporation shall not, whether by merger, consolidation, reclassification of capital stock or otherwise, amend, alter, change, repeal or waive any provision in Section A of this Article IV (or adopt any provision inconsistent therewith) that would adversely affect the rights of holders of Class B Common Stock, without first obtaining the approval of the Founder, in addition to any other vote required by applicable law, this Certificate of Incorporation or the Bylaws.

B. Preferred Stock

The Preferred Stock may be issued from time to time in one or more series. The Board is hereby expressly authorized to provide for the issue of any or all of the unissued and undesignated shares of the Preferred Stock in one or more series, and to fix the number of shares 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 providing for the issuance of such shares and as may be permitted by the DGCL. The Board 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. 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 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 stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, 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. Rights and Options. The Corporation has the authority to create and issue rights, warrants and options entitling the holders thereof to acquire from the Corporation any shares of its capital stock of any class or classes, with such rights, warrants and options to be evidenced by or in instrument(s) approved by the Board. The Board is empowered to set the exercise price, duration, times for exercise and other terms and conditions of such rights, warrants or options; provided, however, that the consideration to be received for any shares of capital stock issuable upon exercise thereof may not be less than the par value thereof. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock a number of shares of Class A Common Stock or Preferred Stock in respect of such rights, warrants and options outstanding from time to time.

## ARTICLE V

## Directors

A. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as otherwise provided herein or required by law.

B. Election of Directors. Unless and except to the extent that the Bylaws shall so require, the election of directors of the Corporation need not be by written ballot.

C. Number of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

D. Classified Board. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board is authorized to assign members of the Board already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the date hereof, 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 the date hereof, 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 the date hereof, 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 shall shorten the term of any incumbent director.

E. Term and Removal. Subject to the rights of any series of Preferred Stock that may be designated from time to time to elect additional directors under specified circumstances, neither the Board nor any individual director may be removed without cause. Subject to any limitations imposed by applicable law, any individual director or directors may be removed 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, voting together as a single class.

F. Vacancies. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock that may be designated from time to time, any vacancies on the Board 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 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, 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.

G. Committees. Pursuant to the Bylaws, the Board may establish one or more committees to which may be delegated any or all of the powers and duties of the Board to the full extent permitted by law.

H. Bylaws. The Board is expressly empowered to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board 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; *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 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.

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

J. Stockholder Nominations and Introduction of Business. 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. No action shall be taken by the stockholders of the Corporation by written consent or electronic transmission. 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.

## ARTICLE VI

## Limited Liability; Indemnification

A. The liability of a director of the Corporation for monetary damages shall be eliminated to the fullest extent under applicable law.

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 affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

## ARTICLE VII

## Exclusive Forum for Certain Lawsuits; Consent

A. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by the applicable law, 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 claims or causes of action under Delaware statutory or common law: (A) any derivative claim or cause of action

brought on behalf of the Corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation, to the Corporation or the Corporation's stockholders; (C) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, arising out of or pursuant to any provision of the DGCL, this Certificate of Incorporation or the Bylaws of the Corporation (as each may be amended from time to time); (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or the Bylaws of the Corporation (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, governed by the internal-affairs doctrine or otherwise related to the Corporation's internal affairs, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section A of Article VII shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "1933 Act"), or the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

B. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, 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 1933 Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters for any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

C. Any person or entity holding, owning or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Certificate of Incorporation.

## ARTICLE VIII

## Severability

If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its current or former directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

## ARTICLE IX

## Amendment of Certificate of Incorporation

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the DGCL may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by

law, by this Certificate of Incorporation or by any Preferred Stock Designation, the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal any provision of this Certificate of Incorporation, or to adopt any new provision of this Certificate of Incorporation; provided, however, that the affirmative vote of the holders of at least 66 2/3% in voting power of the stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal, or adopt any provision inconsistent with, any of Article V, Article VI, Article VII, Article VIII and this sentence of this Certificate of Incorporation, or in each case, the definition of any capitalized terms used therein or any successor provision (including, without limitation, any such article or section as renumbered as a result of any amendment, alteration, change, repeal or adoption of any provision (other than such article or section as renumbered, or this sentence), in each case, of this Certificate of Incorporation). Any amendment, repeal or modification of any of Article VI, Article VII, and this sentence shall not adversely affect any right or protection of any person existing thereunder with respect to any act or omission occurring prior to such repeal or modification.

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IN WITNESS WHEREOF, the undersigned has executed this Second Amended and Restated Certificate of Incorporation as of this 14th of December, 2023.

**7GC & CO. HOLDINGS INC.**

By: /s/ Jack Leeney
Name: Jack Leeney
Title: Chairman and Chief Executive Officer

# SECOND AMENDED AND RESTATED BYLAWS OF BANZAI INTERNATIONAL, INC.

## ARTICLE I

## OFFICES

**Section 1.1. Registered Office.** The registered office of the corporation in the State of Delaware shall be as set forth in the Second 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 1.2. Other Offices.** The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the corporation's Board of Directors (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 2.1. Corporate Seal.** The Board of Directors may adopt a corporate seal. If adopted, the corporate seal shall consist of a die bearing 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 3.1. Place of Meetings.** Meetings of the stockholders of the corporation may be held at such place, 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 Delaware General Corporation Law (the "***DGCL***").

**Section 3.2. 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. Nominations of persons for election to the Board of Directors of the corporation and the proposal 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 (with respect to business other than nominations); (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 3.2(b) of these Second Amended and Restated Bylaws (the "***Bylaws***"), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 3.2. 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 and as shall have been properly brought before the meeting.

**(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 3.2(a) of these Bylaws, 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 3.2(b)(iii) of these Bylaws and must update and supplement such written notice on a timely basis as set forth in Section 3.2(c) of these Bylaws. Such stockholder's notice shall set forth or include: (A) as to each nominee such stockholder proposes to nominate at the meeting for election or re-election to the Board of Directors: (1) the name, age, business address and residence address of such nominee; (2) the principal occupation and employment of such nominee; (3) the class and number of shares of each class of capital stock of the corporation which 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; (5) a completed and signed questionnaire, representation and agreement required by Section 3.2(e) of these Bylaws; and (6) such 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), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 3.2(b)(iv) of these Bylaws. 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 or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

**(ii)** Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14(a)-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 3.2(a) of these Bylaws, 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 3.2(b)(iii) of these Bylaws, and must update and supplement such written notice on a timely basis as set forth in Section 3.2(c) of these Bylaws. 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 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 3.2(b)(iv) of these Bylaws.

**(iii)** To be timely, the written notice required by Section 3.2(b)(i) or 3.2(b)(ii) of these Bylaws 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 preceding year's annual meeting; *provided, however,* that, subject to the last sentence of this Section 3.2(b)(iii), in the event that no annual meeting was held during the preceding year or 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 date 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 (i) the 90th day prior to such annual meeting and (ii) the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

**(iv)** The written notice required by Section 3.2(b)(i) or 3.2(b)(ii) of these Bylaws 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, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal 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 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 3.2(b)(i) of these Bylaws) or to

propose the business that is specified in the notice (with respect to a notice under Section 3.2(b)(ii) of these Bylaws); (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 holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 3.2(b)(i) of these Bylaws) or to carry such proposal (with respect to a notice under Section 3.2(b)(ii) of these Bylaws); (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.

For purposes of Sections 3.2 and 3.3 of these Bylaws, a "***Derivative Transaction***" means any agreement, arrangement, interest or understanding (written or oral) entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(w) 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;

(x) which 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;

(y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or

(z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, 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 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.

**(c)** A stockholder providing written notice required by Section 3.2(b)(i) or (ii) of these Bylaws 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 meeting and (ii) the date that is five business days 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 3.2(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 record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 3.2(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 3.2(b)(iii) of these Bylaws to the contrary, in the event that the number of directors in an Expiring Class (as defined below) is increased and there is no public announcement of the appointment of a director to such class, or, if no appointment was made, of the vacancy in such class, made by the corporation at least 10 days before the last day a stockholder may deliver a notice of nomination in accordance with Section 3.2(b)(iii) of these Bylaws, a stockholder's notice required by this Section 3.2 and which complies with the requirements in Section 3.2(b)(i) of these Bylaws, other than the timing requirements in Section 3.2(b)(iii) of these Bylaws, shall also be considered timely, but only with respect to nominees for any new positions in such Expiring Class created by such increase, 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 10th day following the day on which such public announcement is first made by the corporation. For purposes of this Section 3.2, an "***Expiring Class***" shall mean a class of directors whose term shall expire at the next annual meeting of stockholders.

**(e)** To be eligible to be a nominee for election or re-election as a director of the corporation pursuant to a nomination under clause (iii) of Section 3.2(a) of these Bylaws, such proposed nominee or a person on such proposed nominee's behalf must deliver (in accordance with the time periods prescribed for delivery of notice under Section 3.2(b)(iii) or 3.2(d) of these Bylaws, as applicable) to the Secretary at the principal executive offices of the corporation a written questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the corporation, will act or vote on any issue or question (a "***Voting Commitment***") that has not been disclosed to the corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the corporation, with such proposed nominee's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the corporation that has not been disclosed therein; (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with, all applicable rules of any securities exchange upon which the corporation's securities are listed, the Certificate of Incorporation, these Bylaws, all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation generally applicable to directors (which other guidelines and policies will be provided by the Secretary upon written request), and all applicable fiduciary duties under state law; (iv) consents to being named as a nominee in the corporation's proxy statement and form of proxy for the meeting; (v) intends to serve a full term as a director of the corporation, if elected; and (vi) will provide facts, statements and other information in all communications with the corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

**(f)** A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 3.2(a) of these Bylaws, or in accordance with clause (iii) of Section 3.2(a) of these Bylaws. Except as otherwise required by law, the chairman 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 3.2(b)(iv)(D) and 3.2(b)(iv)(E) of these Bylaws, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

**(g)** Notwithstanding the foregoing provisions of this Section 3.2, 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 and the rules and regulations thereunder. 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 or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 3.2(a)(iii) of these Bylaws.

**(h)** For purposes of Sections 3.2 and 3.3 of these Bylaws,

**(i)** "***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; and

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

**Section 3.3. 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 Chairman 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).

**(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 3.4 of these Bylaws. No business may be transacted at such special meeting otherwise than specified in the notice of meeting. The Chairman of the Board of Directors, the Chief Executive Officer or the Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously called by any of them.

**(c)** 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 any duly authorized committee thereof) or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 3.2(b)(i) of these Bylaws. 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 Section 3.2(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which public announcement is first made 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 3.2(c) of these Bylaws. 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 for the giving of a stockholder's notice as described above.

**(d)** Notwithstanding the foregoing provisions of this Section 3.3, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 3.3. 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 or the rules and regulations thereunder 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 3.3(c) of these Bylaws.

**Section 3.4. Notice of Meetings.** Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice at the meeting, and, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is deemed 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 sent via electronic transmission, notice is deemed given as of the sending time recorded at the time of transmission. Notice of the time, place, if any, and purpose of any meeting of stockholders 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, and does so object, 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 3.5. Quorum.** 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 duly authorized, of the holders of a majority of the voting power of the then-outstanding shares of capital stock entitled to vote 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 chairman of the meeting or by vote of the holders of a majority of the voting power of the then-outstanding shares of capital stock represented thereat, 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 majority of the voting power of the stock present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute or by applicable stock exchange rules, 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 the statute or by the Certificate of Incorporation, applicable stock exchange rules or these Bylaws, a majority of the voting power of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute, applicable stock exchange rules or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of the voting power of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

**Section 3.6. Adjournment and Notice of Adjourned Meetings.** Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the voting power of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting, though less than a quorum. 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 are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which 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.

**Section 3.7. Voting Rights.** For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 3.9 of these Bylaws, 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 duly executed 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.

**Section 3.8. 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; or (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 the DGCL, Section 217(b). 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 clause (c) of this Section 3.8 shall be a majority or even-split in interest.

**Section 3.9. List of Stockholders.** The Secretary shall prepare and make, at least 10 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 of shares registered in the name of each stockholder.

Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior 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 law.

**Section 3.10. Action Without Meeting.** No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

**Section 3.11. Organization.**

**(a)** At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, the President, or, if the President is absent, if applicable, the Lead Independent Director (as defined below), or, if the Lead Independent Director is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the chairman of the meeting, shall act as secretary of the meeting.

**(b)** The Board of Directors of the corporation 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 chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, 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 chairman 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 which 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 chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

## ARTICLE IV

## DIRECTORS

**Section 4.1. 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 4.2. 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 statute or by the Certificate of Incorporation.

**Section 4.3. Classes of Directors.** Subject to the rights of the holders of any series of preferred stock to elect additional directors under specified circumstances, 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 adoption of these Bylaws, 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 the adoption of these Bylaws, 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

the adoption of these Bylaws, 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 4.3, 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.

**Section 4.4. Vacancies.** Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of preferred stock, 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 stockholders, 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 a sole remaining director, and not by the stockholders, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected, 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. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

**Section 4.5. Resignation.** Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer or the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, the resignation shall be deemed effective at the time of delivery to the Chairman of the Board, the Chief Executive Officer or the Secretary. 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.

**Section 4.6. Removal.**

**(a)** 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.

**(b)** Subject to any limitation imposed by law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 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, voting together as a single class.

**Section 4.7. 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 which 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, facsimile, telegraph or telex, 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 whenever called by the Chairman of the Board, the Chief Executive Officer or a majority of the authorized number 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 of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, 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, charges prepaid, at least three days before the date of the meeting. Notice of any meeting 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, and does so object, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

**(e) Waiver of Notice.** 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 4.8. 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 11.1 of these Bylaws for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, 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 law, the Certificate of Incorporation or these Bylaws.

**Section 4.9. 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, and such writing or writings or transmission or transmissions are 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.

**Section 4.10. Fees and Compensation.** Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, 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. 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 4.11. 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 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 which 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 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 4.11, 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 he or they 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 4.11 shall be held at such times and places 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 any place which 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 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 of special meetings of the Board of Directors. Notice of any special 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 special 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. Unless the Board of Directors shall otherwise provide, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article IV of these Bylaws.

**Section 4.12. Duties of Chairman of the Board of Directors.** The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors 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 shall designate from time to time.

**Section 4.13. Lead Independent Director.** The Chairman of the Board of Directors, or if the Chairman is not an independent director, one of the independent directors, may be designated by the Board of Directors as lead independent director ("***Lead Independent Director***") to serve until replaced by the Board of Directors. The Lead Independent Director will, with the Chairman of the Board of Directors, establish the agenda for regular Board meetings and serve as chairman of Board of Directors meetings in the absence of the Chairman of the Board of Directors; establish the agenda for meetings of the independent directors; coordinate with the committee chairs regarding meeting agendas and informational requirements; preside over meetings of the independent directors; preside over any portions of meetings of the Board of Directors at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; preside over any portions of meetings of the Board of Directors at which the performance of the Board of Directors is presented or discussed; and perform such other duties as may be established or delegated by the Chairman of the Board of Directors.

**Section 4.14. Organization.** At every meeting of the Board of Directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Lead Independent Director, or if the Lead Independent Director 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 chairman 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 or director directed to do so by the Chairman, shall act as secretary of the meeting.

## ARTICLE V

## OFFICERS

**Section 5.1. 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 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 law. 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. The officers of the corporation need not be stockholders of the corporation.

**Section 5.2. 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, or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

**(b) Duties of Chief Executive Officer.** The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairman of the Board of Directors or the Lead Independent Director has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. 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 commonly incident to 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.** The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors (if a director), the Lead Independent Director, or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President 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 shall designate from time to time.

**(d) Duties of Vice Presidents.** The Vice Presidents 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. The Vice Presidents shall perform other duties commonly incident to their 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.** The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book 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 commonly incident to 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. 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 commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or 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 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 commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or 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. The President may direct the Treasurer, if any, or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller 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 President shall designate from time to time.

**(g) Duties of Treasurer.** Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and 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 or the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The 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 President shall designate from time to time.

**(h) Duties of Other Officers.** Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the corporation the power to choose such other officers and to prescribe their respective duties and powers.

**Section 5.3. 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 5.4. Resignations.** Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President or to 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 5.5. Removal.** Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers 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 6.1. 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 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 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 authorize so to do.

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 6.2. Voting of Securities Owned by the Corporation.** All stock and other securities of other corporations 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 Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

## ARTICLE VII

## SHARES OF STOCK

**Section 7.1. 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 of the corporation, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, the Chief Executive Officer, or the President or any Vice President and by the Chief Financial Officer, Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him or her 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 7.2. 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 7.3. 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 of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

**Section 7.4. 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 10 days before the date of 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 next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next 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.

**(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 7.5. 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.

## ARTICLE VIII

## OTHER SECURITIES OF THE CORPORATION

**Section 8.1. Execution of Other Securities.** All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 7.1 of these Bylaws), may be signed by the Chairman 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, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *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 9.1. 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 pursuant to law at any regular or special meeting. 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 9.2. 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 their absolute discretion, think 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 as the Board of Directors shall think 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 10.1. Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

## ARTICLE XI

## INDEMNIFICATION

**Section 11.1. Indemnification of Directors, Officers, Employees and Other Agents.**

**(a) Directors and Officers.** The corporation shall indemnify its directors and officers to the extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (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).

**(b) Employees and Other Agents.** The corporation shall have power to indemnify its 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 for 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 action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or 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 11.1 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 11.1, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, 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 officers under this Section 11.1 shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer. Any right to indemnification or advances granted by this Section 11.1 to a director or 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 extent permitted by 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 officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such 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 the director or officer 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 officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 11.1 or otherwise shall be on the corporation.

**(e) Non-Exclusivity of Rights.** The rights conferred on any person by this Bylaw shall not be exclusive of any other right which 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 such person's 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 officer, or, if applicable, 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 insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 11.1.

**(h) Amendments.** Any repeal or modification of this Section 11.1 shall only be prospective and shall not affect the rights under this Bylaw 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 Bylaw 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 officer to the full extent not prohibited by any applicable portion of this Section 11.1 that shall not have been invalidated, or by any other applicable law. If this Section 11.1 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and officer to the full extent under any other applicable law.

**(j) Certain Definitions.** For the purposes of this Bylaw, the following definitions shall apply:

**(i)** 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.

**(ii)** 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.

**(iii)** 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 which, 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 45 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

**(iv)** References to a "***director***," "***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, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

**(v)** References to "***other enterprises***" 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 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 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 11.1.

## ARTICLE XII

## NOTICES

**Section 12.1. Notices.**

**(a) Notice to Stockholders.** Written notice to stockholders of stockholder meetings shall be given as provided in Section 3.4 of these Bylaws. 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 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 facsimile, telegraph or telex, 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), or as otherwise provided in these Bylaws, except that such notice other than one which is delivered personally 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 any provision of law or 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 which 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 the 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 13.1. Amendments.** Subject to the limitations set forth in Section 11.1(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the 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 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 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.

## ARTICLE XIV

## LOANS TO OFFICERS OR EMPLOYEES

**Section 14.1. Loans to Officers or Employees.** Except as otherwise prohibited by applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

## ARTICLE XV

## MISCELLANEOUS

**Section 15.1. Forum.**

**(a)** 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 claims or causes of action under Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the corporation, to the corporation or the corporation's stockholders; (C) any claim or cause of action against the corporation or any current or former director, officer or other employee of the corporation, arising out of or pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws of the corporation (as each may be

amended from time to time); (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws of the corporation (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the corporation or any current or former director, officer or other employee of the corporation, governed by the internal-affairs doctrine or otherwise related to the corporation's internal affairs, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section 15.1 of Article XV shall not apply to claims or causes of action brought to enforce a duty or liability created by the 1933 Act or the 1934 Act or any other claim for which the federal courts have exclusive jurisdiction.

**(b)** Unless the corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, 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 1933 Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the corporation, its officers and directors, the underwriters for any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

**Exhibit 4.1**

NUMBER

NUMBER
C-
SHARES
SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP 06682J 100

**BANZAI INTERNATIONAL, INC.**

**INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE**
**CLASS A COMMON STOCK**

This Certifies that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE PAR VALUE OF $0.0001 EACH OF THE CLASS A COMMON STOCK OF

**BANZAI INTERNATIONAL, INC.**
**(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.

Witness the seal of the Company and the facsimile signatures of its duly authorized officers.

Chief Executive Officer [Corporate Seal] Delaware Chief Financial Officer

**BANZAI INTERNATIONAL, INC.**

The Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock 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 second 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

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — _____ (Cust) Custodian _____ (Minor)

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, OF ASSIGNEE(S))

shares of the capital stock represented by the within Certificate, and hereby irrevocably constitutes and appoints

Attorney to transfer the said 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:

By

---

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**

NUMBER

NUMBER
C-
SHARES
SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP 06682J 209

**BANZAI INTERNATIONAL, INC.**

**INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE**
**CLASS B COMMON STOCK**

This Certifies that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE PAR VALUE OF $0.0001 EACH OF THE CLASS B COMMON STOCK OF

**BANZAI INTERNATIONAL, INC.**
**(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.

Witness the seal of the Company and the facsimile signatures of its duly authorized officers.

Chief Executive Officer [Corporate Seal] Delaware Chief Financial Officer

**BANZAI INTERNATIONAL, INC.**

The Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock 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 second 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 — _____ (Cust) Custodian _____ (Minor)

TEN ENT — as tenants by the entireties

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, OF ASSIGNEE(S))

shares of the capital stock represented by the within Certificate, and hereby irrevocably constitutes and appoints

Attorney to transfer the said 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:

By

---

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 4.3**

[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**

**BANZAI INTERNATIONAL, INC.**
*Incorporated Under the Laws of the State of Delaware*

CUSIP 06682J 118

**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 Class A common stock, $0.0001 par value per share ("***Common Stock***"), of Banzai International, 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 non-assessable shares of Common Stock as set forth below, at the exercise price (the "***Exercise 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 Exercise 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 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 Exercise Price per share of Common Stock for any Warrant is equal to $11.50 per share. The Exercise 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.

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, without regard to conflicts of laws principles thereof.

BANZAI INTERNATIONAL, INC.

By: _____
Name:
Title:

CONTINENTAL STOCK TRANSFER & TRUST COMPANY, as Warrant Agent

By: _____
Name:
Title:

[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 , 2020 (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 Exercise 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 Banzai International, 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 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 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 (OR ANY SUCCESSOR RULE)).

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THIS NOTE MAY BE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE UNDER SUCH LAWS AND ANY SUCH TRANSFER OR RESALE MAY REQUIRE COMPLIANCE WITH THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THIS NOTE MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THIS NOTE AND THE INDEBTEDNESS EVIDENCED HEREBY IS SUBORDINATED IN RIGHT OF PAYMENT TO SENIOR INDEBTEDNESS (AS DEFINED BELOW); AND THE HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO EXECUTE AND BE BOUND BY THE PROVISIONS HEREIN.

# SUBORDINATED PROMISSORY NOTE

$2,000,000 December 13, 2023

FOR VALUE RECEIVED, Banzai International, Inc., a Delaware corporation (the "***Maker***" or the "***Company***"), hereby borrows from Alco Investment Company or its permitted assigns (the "***Holder***") up to the principal amount set forth above based on amounts actually borrowed from Holder from time to time in accordance with this Subordinated Promissory Note (the "***Note***") and as set forth on **Exhibit A**, together with interest on the unpaid principal balance of this Note from time to time outstanding at the rate of 8% per year, in each case contingent upon the closing of the Business Combination. Subject to the subordination provisions herein, all interest and principal, unless previously prepaid, shall be due and payable on December 31, 2024 (the "***Maturity Date***").

Whenever the Maker desires to incur additional borrowings hereunder (a "***Drawdown***"), the Maker shall notify Holder by electronic mail no later than 5:00 PM Pacific Time on the date that is three business days prior to the date on which such additional borrowings are to be delivered to the Company (such date, the "***Draw Date***"). Following any Drawdown, the Maker shall updated Exhibit A attached hereto to reflect the amount and date of any Drawdown.

**1. Interest**. Interest on this Note shall be computed on the basis of a year of 365 days for the actual number of days elapsed and shall accrue on a non-cash basis (i) until Payment in Full of the Senior Obligations (as defined below) or (ii) unless repayment of this Note in cash is permissible in accordance with Section 7. All payments by the Maker under this Note shall be in immediately available funds.

**2. Basic Terms**.

**(a) Payments**. All payments of interest and principal on this Note shall be in lawful money of the United States of America and shall be made to the Holder. All payments shall be applied first to accrued interest, and thereafter to principal.

**(b) Prepayment**. Subject to Section 5 below, the Borrower may prepay this Note in whole or in part at any time without the consent of the Holder, together with all accrued but unpaid interest and the other amounts due hereunder in respect of the amount prepaid, without premium or penalty. Borrower shall promptly repay this Note with the net cash proceeds from the issuance of equity securities of the Borrower issued in connection with any bona fide financing.

**(c) Share Transfer**. As an additional inducement to the Holder for the borrowings incurred under this Note, Maker agrees to cause 7GC & Co. Holdings Inc. and 7GC & Co. Holdings LLC (together, the "***SPAC Parties***") to enter into a Founder Share Transfer Agreement with Holder in substantially the form attached hereto as **Exhibit B** (the "***Share Transfer Agreement***"), pursuant to which, for each $10.00 in principal borrowed under this Note, the SPAC Parties shall forfeit three Founder Shares (as defined in the Share Transfer Agreement), and Holder shall receive three Investor Shares (as defined in the Share Transfer Agreement) upon the Closing (as defined in the Share Transfer Agreement), subject, in each case, to the terms of the Share Transfer Agreement (the "***Share Transfer***"). The maximum number of shares transferrable pursuant to this Section 2(c) shall be 600,000.

**(i)** Each party hereto hereby acknowledges and agrees that the Note is part of an investment unit within the meaning of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended, which includes the Investor Shares. Within 20 days of the issuance of the Note, the Company shall deliver to the Investor a proposed amount of the "issue price" of such investment unit allocated to the Note under Section 1273(b) of the Internal Revenue Code, and the aggregate fair market value of the Investor Shares as of the issuance date of the Note for United States federal, state and local income tax purposes (the "***Proposed Valuation***"). If the Investor agrees with such Proposed Valuation, the Proposed Valuation shall become final. If the Investor does not agree with the Proposed Valuation, then within ten (10) days of receipt of the Proposed Valuation the Investor shall determine and deliver to the Company a proposed valuation of the Investor Shares (the "***Investor's Proposed Valuation***"). If the Investor and the Company are not able to come to an agreement regarding such "issue price" and valuation of the Investor Shares within ten (10) days thereafter, the Investor and the Company shall agree in good faith on an independent nationally recognized valuation or financial advisory firm to determine the final "issue price" and valuation of the Investor Shares, which valuation must be within the range of the Proposed Valuation and the Investor's Proposed Valuation. The costs of such valuation or financial advisory firm shall be paid by the Investor. Upon the final determination of the "issue price" of such investment unit allocated to the Note, each party hereto agrees to use the "issue price" for all income tax purposes with respect to this transaction, unless otherwise required by the IRS or another Governmental Authority following an audit or examination.

**(d) Use of Proceeds**. In addition to the operating expenses and working capital needs of the Company, the proceeds of this Note shall be used for the reimbursement of certain fees and expenses of counsel to CP BF (as defined below).

**3. Repayment at Maturity Date**. The Outstanding Amount shall be due and payable on the Maturity Date.

**4. Representations and Warranties of the Maker**. In connection with the transactions provided for herein, the Maker hereby represents and warrants to the Holder that:

**(a)** The Maker is a corporation duly incorporated and organized, validly existing, and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as now conducted. The Maker is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

**(b)** All corporate action has been taken on the part of the Maker, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Note. Except as may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights, the Maker has taken all corporate action required to make all of the obligations of the Maker reflected in the provisions of this Note, the valid and enforceable obligations they purport to be. The issuance of this Note is not subject to the preemptive rights of any stockholder of the Maker that have not been validly waived.

**(c)** The authorization, execution and delivery of this Note will not constitute or result in a material default or violation of any law or regulation applicable to the Maker or any material term or provision of the Maker's current Certificate of Incorporation or Bylaws or any material agreement or instrument by which it is bound or to which its properties or assets are subject.

**5. Subordination; Restrictions on Payment and Remedies**.

**(a) Subordination to Senior Obligations**.

**(i)** This Note is, and by acceptance hereof the Holder hereby agrees that any payment under this Note (whether for principal, interest or otherwise (and including any costs and expenses required to be reimbursed to the Holder)) or any judgment arising therefrom (collectively, the "***Subordinated Indebtedness***") is and shall be, subordinate, to the extent and in the manner hereinafter set forth, to, and no payment may be made under this Note, except (x) pursuant to subsection (h) below or (y) to the extent such payments are permitted pursuant to the documentation governing the Senior Obligations (as defined below), until the prior indefeasible payment in full in cash of all Senior Obligations and the termination of all commitments of the holders of Senior Obligations to extend further credit constituting Senior Obligations (such payment of such Senior Obligations and termination of commitments, the "***Payment in Full of the Senior Obligations***").

**(ii)** In the event of any dissolution, winding up, liquidation, arrangement, reorganization, adjustment, protection, relief or composition of the Maker or its debts, whether voluntary or involuntary, in any bankruptcy, insolvency, arrangement, reorganization, receivership, relief or other similar case or proceeding under any federal or state bankruptcy or similar law or upon a general assignment for the benefit of creditors or any other related marshalling of the assets and liabilities of the Maker or otherwise (any such occurrence a "***Bankruptcy Event***"), the Payment in Full of the Senior Obligations shall have occurred before the Holder shall be entitled to receive any payment or distribution of any kind (whether in cash, property or securities) in respect of all or any of the Subordinated Indebtedness, and any such payment or distribution of any kind (whether in cash, property or securities) that otherwise would be payable or deliverable upon or with respect to the Subordinated Indebtedness, including, without limitation, in any such Bankruptcy Event, shall be paid or delivered directly to, prior to the Payment in Full of the Senior Obligations, the holders of the Senior Obligations (or an agent therefor, as applicable) until the Payment in Full of the Senior Obligations shall have occurred.

**(b) In Furtherance of Subordination**. At the Maker's expense, the Holder shall take such action (including such actions as may be requested by the holders of the Senior Obligations, or any agent therefor) as may be necessary or appropriate to effectuate the subordination as provided hereunder with respect to the Senior Obligations. All payments or distributions (whether in cash, property or securities) upon or with respect to the Subordinated Indebtedness that are received by the Holder contrary to these subordination provisions shall be received in trust for the benefit of the applicable holders of Senior Obligations, shall be segregated from other funds and property held by the Holder and shall be forthwith paid over to, prior to the Payment in Full of the Senior Obligations, the applicable holders of Senior Obligations (or an agent therefor, as applicable) in the same form as so received (with any necessary endorsement).

**(c) Enforcement Actions; No Collateral**. Prior to the Payment in Full of the Senior Obligations, the Holder will not exercise any remedies under this Note or with respect to the Maker or commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action

against the Maker, including, without limitation, the commencement of any Bankruptcy Event against the Maker, and, without the prior written consent of CP BF Lending, LLC, the Holder shall not take any collateral or security to secure the repayment of this Note. Without limiting the operation of the preceding sentence, to the extent the Holder shall at any time have a security interest or lien on the property of the Maker which secures the Subordinated Indebtedness, the Holder subordinates to the holders of the Senior Obligations any security interest or lien that the Holder may have in any such property of the Maker, notwithstanding the respective dates of attachment or perfection of the security interest of the Holder and the security interest of any such holder of Senior Obligations.

**(d) Subordination Rights Not Impaired by Acts or Omissions of the Maker or Holders of Senior Indebtedness**. No right of any present or future holders of any Senior Obligations to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Maker or by any act or failure to act in good faith by any such holder, or by any noncompliance by the Maker with the terms and provisions of this Note, regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The holders of the Senior Obligations may, without in any way affecting the obligations of the Holder with respect these subordination provisions, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment of, change or extend the time of payment of, or renew or alter, any Senior Obligations, or amend, modify or supplement any agreement or instrument governing or evidencing such Senior Obligations or any other document referred to therein, or exercise or refrain from exercising any other of their rights under the Senior Obligations including, without limitation, the waiver of default thereunder and the release of any collateral securing such Senior Obligations, all without notice to or assent from the Holder.

**(e) Reinstatement**. If, at any time, all or part of any payment with respect to Senior Obligations theretofore made by the Maker or any other person or entity is rescinded or must otherwise be returned by the holders of Senior Obligations for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Maker or such other persons or entities), the subordination provisions set forth herein shall continue to be effective or be reinstated, as the case may be, all as though such payment had not been made.

**(f) Further Assurances**. The Holder hereby agrees to execute such documents and/or take such further action as any holder of Senior Obligations may at any time or times reasonably request (including, but not limited to, executing such additional subordination agreements in favor of holders of Senior Obligations reflecting the terms hereof) in order to carry out the provisions and intent of these subordination provisions, including, without limitation, ratifications and confirmations of these subordination provisions from time to time hereafter, as and when requested by any holder of Senior Obligations.

**(g) Definitions**. The terms set forth below shall have the respective meanings provided below:

**(i)** "***Business Combination***" means the acquisition by 7GC of the Maker pursuant to the terms of the Business Combination Agreement.

**(ii)** "***Business Combination Agreement***" means that certain Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022, by and among 7GC & Co. Holdings Inc., a Delaware corporation ("**7GC**"), the Maker and the other parties thereto, as amended from time to time pursuant to the terms thereof.

**(iii)** "***Obligations***" means any principal, interest, reimbursement obligations under letters of credit, premium, penalties, fees, indemnities and other liabilities, obligations and indebtedness payable under the documentation governing any Senior Obligations (including, without limitation, all interest after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided in the governing documentation, whether or not such interest is an allowed claim in such proceeding).

**(iv)** "***Senior Obligations***" means any and all present and future Obligations of the Maker under or in respect of (A) any loan or commercial credit arrangement pursuant to any debt or credit agreement by and between the Maker and CP BF Lending, LLC ("**CP BF**") and/or its affiliates or assignees, as the case may be and as may be amended from time to time, and (B) any future loan or commercial credit arrangement approved by the Holder and CP BF.

**(h)** Notwithstanding anything else in this Section 5, this Note may be repaid prior to the repayment of any Senior Obligations if repaid using proceeds from any debt or equity issuance that is junior and subordinated to the Senior Obligations in form and substance satisfactory to CP BF. The Holder and the Maker agree to provide prior written notice to CP BF of any such payment or refinancing and such payment or refinancing (and the subordination thereof) shall be evidenced by such documentation and instruments as CP BF shall require in its sole discretion.

**6. Events of Default**. For purposes of this Note, an "***Event of Default***" shall be deemed to have occurred if (a) the Company fails to pay any principal or interest on this Note in full when due (unless such payment is prohibited by the subordination terms set forth in this Note), (b) a receiver is appointed for any material part of the Company's property or the Company voluntarily files for bankruptcy protection or makes a general assignment for the benefit of creditors, (c) the Company is the subject of an involuntary bankruptcy petition and such petition is not dismissed within ninety (90) days or (d) the Company's Board of Directors or stockholders adopt a resolution for the liquidation, dissolution or winding up of the Company.

**7. No Right of Set-off**. Any payments by the Maker under this Note shall be made without set-off or counterclaim and be free and clear and without any deduction or withholding for any taxes or fees of any nature whatever, unless the obligation to make such deduction or withholding is imposed by law.

**8. Delay or Omission**. No delay or omission on the part of the Holder in exercising any right under this Note shall operate as a waiver of such right or of any other right of the Holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

**9. Amendment**. The terms and provisions of this Note may be modified or amended only by a written instrument duly executed by (i) the Maker, (ii) the Holder and (iii) CP BF Lending, LLC or its assignees until Payment in Full of the Senior Obligations owed to CP BF Lending, LLC or its assignees.

**10. Order of Payment**. Any payments by the Maker under this Note shall be applied first to any fees and expenses due and payable hereunder, then to the accrued interest due and payable hereunder and the remainder, if any, to the outstanding principal.

**11. Presentment**. The Maker and every endorser or guarantor of this Note, regardless of the time, order or place of signing, hereby waives presentment, demand, protest and notices of every kind and assents to any permitted extension of the time of payment and to the addition or release of any other party primarily or secondarily liable hereunder.

**12. Stockholders, Officers and Directors Not Liable**. The Holder agrees that no stockholder, director or officer of the Maker shall have any personal liability for this Note.

**13. Accredited Investor and Other Matters**. By accepting this Note and countersigning below, the Holder represents and warrants to the Maker that the Holder is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "***Securities Act***"). The Holder has been advised that this Note and the underlying securities have not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Holder is purchasing this Note and the securities to be acquired by the Holder hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same. The Holder has such knowledge and experience in financial and business matters that the Holder is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Holder's financial condition and is able to bear the economic risk of such investment for an indefinite period of time. The Holder has full legal capacity, power and authority to execute and deliver this Note and to perform its obligations hereunder. This Note constitutes valid and binding obligation of the Holder, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

**14. No Stockholder Rights**. Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Maker.

**15. Governing Law**. All rights and obligations hereunder shall be governed by the laws of the State of Delaware (without giving effect to principles of conflicts or choices of law).

**16. Expenses**. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, 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. Each party hereto shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Note.

**17. Successors and Assigns**. Except as otherwise provided herein, the terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Note, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Note, except as expressly provided in this Note.

**18. Termination**. This Note shall automatically terminate and be of no further force or effect upon the termination of the Business Combination Agreement in accordance with the terms thereof.

[Signature Page Follows]

The Maker has executed this Subordinated Promissory Note as of the date first above written.

**BANZAI INTERNATIONAL, INC.**

By: /s/ Joseph Davy
Name: Joseph P. Davy
Title: Chief Executive Officer

**HOLDER:**

**ALCO INVESTMENT COMPANY**

By: /s/ Mason Ward
Name: Mason Ward
Title: Chief Financial Officer

Address: 33930 Weyerhaeuser Way S., Suite 150
Federal Way, WA 98001

**EXHIBIT A**
**DRAW DOWNS**

| Date | Amount |
| --- | --- |

**EXHIBIT B**
**SHARE TRANSFER AGREEMENT**

[Intentionally Omitted.]

**NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) IN COMPLIANCE WITH RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.**

# WARRANT TO PURCHASE
# SHARES OF COMMON STOCK
# OF
# BANZAI INTERNATIONAL, INC.

Expires: The date that is the third anniversary of the Public Listing Date

No. of Shares: 828,533

Date of Issuance: December 15, 2023 (the "Public Listing Date")

FOR VALUE RECEIVED, the undersigned, BANZAI INTERNATIONAL, INC., a company incorporated under the laws of the State of Delaware whose registered office is at 101 Yesler Way, Suite 600, Seattle WA, 98104 (together with its successors and assigns, the "Issuer" and the "Company"), hereby certifies that GEM Yield Bahamas Limited ("GEM") or its assigns is entitled to subscribe for and purchase, during the Term (as hereinafter defined), in accordance with the terms of this Warrant, up to 828,533 Shares, at an exercise price of $6.49 per Share; provided that, on the first anniversary following the Public Listing Date (the "Adjustment Date"), if all or any portion of this Warrant remains unexercised and the average closing price of the Common Shares for the 10 Trading Days following the Adjustment Date is less than 90% of the then current exercise price of this Warrant (the "Baseline Price"), then the exercise price of this Warrant shall be adjusted to 105% of the Baseline Price. Capitalized terms used in this Warrant shall have the respective meanings specified in Section 8 hereof.

**1. Term.** The Holder may exercise this Warrant for a period which shall commence on the Public Listing Date, and shall expire at 6:00 p.m., Eastern Time, on the date that is the third anniversary of the Public Listing Date (such period being the "Term").

**2. Method of Exercise; Payment; Issuance of New Warrant; Transfer and Exchange.**

(a) Time of Exercise. The purchase rights represented by this Warrant may be exercised in whole or in part during the Term.

(b) Method of Exercise. The Holder hereof may exercise this Warrant, in whole or in part, by the surrender of this Warrant (with the exercise form attached hereto), duly executed at the principal office of the Issuer, and by the payment to the Issuer of an amount of consideration therefor equal to the Warrant Price in effect on the date of such exercise multiplied by the number of Warrant Shares with respect to which this Warrant is then being exercised, payable at such Holder's election (i) by certified or official bank check or by wire transfer to an account designated by the Issuer, (ii) by "cashless exercise" in accordance with the provisions Section 2(c) below, or (iii) by a combination of the foregoing methods of payment selected by the Holder of this Warrant.

(c) Cashless Exercise.

(i) Notwithstanding any provisions herein to the contrary, if the Per Share Market Value of one Common Share is greater than the Warrant Price (at the date of calculation as set forth below), in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise and shall receive the number of Common Shares equal to an amount (as determined below) by surrender of this Warrant at the principal office of the Issuer together with the properly endorsed notice of exercise, in which event the Issuer shall issue to the Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Common Shares to be issued to the Holder.

Y = the number of Common Shares purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.

A = the Warrant Price.

B = the Per Share Market Value of one Common Share.

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

(d) Issuance of Shares. In the event of any exercise of this Warrant in accordance with and subject to the terms and conditions hereof, certificates for the Warrant Shares so purchased shall be dated the date of such exercise and delivered to the Holder hereof within a reasonable time, not exceeding five Trading Days after such exercise (the "Delivery Date"), unless the Common Shares are then uncertificated, in which case the Warrant Shares shall be registered

in book-entry form in the name of the Holder, or, at the request of the Holder (provided that a registration statement under the Securities Act providing for the resale of the Warrant Shares is then in effect or that the Warrant Shares are otherwise exempt from registration), issued and delivered to the Depository Trust Company ("DTC") account on the Holder's behalf via the Deposit Withdrawal Agent Commission System ("DWAC") within a reasonable time, not exceeding three (3) Trading Days after such exercise, and the Holder hereof shall be deemed for all purposes to be the holder of the Warrant Shares so purchased as of the date of such exercise. Notwithstanding the foregoing to the contrary, the Issuer or its transfer agent shall be obligated to issue and deliver the shares to the DTC on a holder's behalf via DWAC only if such exercise is in connection with a sale or other exemption from registration by which the shares may be issued without a restrictive legend and the Issuer and its transfer agent are participating in DTC through the DWAC system. The Holder shall deliver this original Warrant, or an indemnification reasonably acceptable to the Issuer undertaking with respect to such Warrant in the case of its loss, theft or destruction, at such time that this Warrant is fully exercised. This Warrant shall be exercisable, either in its entirety or, from time to time, for part only of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any partial exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such exercise, then the Company shall, as soon as practicable, and in no event later than five Business Days after any exercise, and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. With respect to partial exercises of this Warrant, the Issuer shall keep written records for the Holder of the number of Warrant Shares exercised as of each date of exercise.

(e) Reserved.

(f) Transferability of Warrant. This Warrant may be transferred by a Holder, in whole or in part, without the prior written consent of the Issuer, (i) at any time, to an Affiliate of the Holder, or (ii) at any time following the Public Listing Date, to any Person, in each case, subject to compliance with applicable securities laws. If transferred pursuant to this paragraph, this Warrant may be transferred on the books of the Issuer by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant at the principal office of the Issuer, properly endorsed (by the Holder executing an assignment in the form attached hereto) and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. This Warrant is exchangeable at the principal office of the Issuer for Warrants to purchase the same aggregate number of Warrant Shares, each new Warrant to represent the right to purchase such number of Warrant Shares as the Holder hereof shall designate at the time of such exchange. All Warrants issued on transfers or exchanges shall be dated the date hereof and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(g) Continuing Rights of Holder. The Issuer will, at the time of, or at any time after, each exercise of this Warrant, upon the request of the Holder hereof, acknowledge in writing the extent, if any, of its continuing obligation to afford to such Holder all rights to which such Holder shall continue to be entitled after such exercise in accordance with the terms of this Warrant, provided that if any such Holder shall fail to make any such request, the failure shall not affect the continuing obligation of the Issuer to afford such rights to such Holder.

(h) Compliance with Securities Laws.

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant and the Warrant Shares to be issued upon exercise hereof are being acquired solely for the Holder's own account and not as a nominee for any other party, and for investment, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except pursuant to an effective registration statement, or an exemption from registration, under the Securities Act and any applicable state securities laws.

(ii) Except as provided in paragraph (iii) below, this Warrant and all certificates representing Warrant Shares issued upon exercise hereof shall be stamped or imprinted with a legend in substantially the following form:

> NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) IN COMPLIANCE WITH RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY.

(iii) The Issuer agrees to reissue this Warrant or certificates representing any of the Warrant Shares, without the legend set forth above if at such time, prior to making any transfer of any such securities, the Holder shall give written notice to the Issuer describing the manner and terms of such transfer. Such proposed transfer will not be effected until: (a) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that the registration or qualification of such securities under the Securities Act is not required in connection with such proposed transfer, (ii) a registration statement under the Securities Act or state securities laws covering such proposed disposition has been filed by the Issuer with the Securities and Exchange Commission and has become effective under the Securities Act and the securities have been qualified under state securities laws, (iii) the Issuer has received other evidence reasonably satisfactory to the Issuer that such registration and qualification under the Securities Act and state securities laws are not required, or (iv) the Holder provides the Issuer with reasonable assurances that such security can be sold pursuant to Rule 144 under the Securities Act; and (b) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that registration or qualification under the securities or "blue sky" laws of any state is

not required in connection with such proposed disposition, or (ii) compliance with applicable state securities or "blue sky" laws has been effected or a valid exemption exists with respect thereto. The Issuer will respond to any such notice from a holder within five Trading Days. In the case of any proposed transfer under this Section 2(h), the Issuer will use reasonable efforts to comply with any such applicable state securities or "blue sky" laws, but shall in no event be required, (x) to qualify to do business in any state where it is not then qualified, (y) to take any action that would subject it to tax or to the general service of process in any state where it is not then subject, or (z) to comply with state securities or "blue sky" laws of any state for which registration by coordination is unavailable to the Issuer. The restrictions on transfer contained in this Section 2(h) shall be in addition to, and not by way of limitation of, any other restrictions on transfer contained in any other Section of this Warrant. Whenever a certificate representing the Warrant Shares is required to be issued to a the Holder without a legend, in lieu of delivering physical certificates representing the Warrant Shares, the Issuer shall cause its transfer agent to electronically transmit the Warrant Shares to the Holder by crediting the account of the Holder or Holder's prime broker with DTC through its DWAC system (to the extent not inconsistent with any provisions of this Warrant).

(i) Accredited Investor Status. In no event may the Holder exercise this Warrant in whole or in part unless the Holder is an "accredited investor" as defined in Regulation D under the Securities Act and is acquiring this Warrant for investment for its own account and not with a view to or present intention of, or for resale in connection with, any distribution thereof. This Warrant and the Warrant Shares have not been registered under the Securities Act nor qualified under applicable state securities laws.

**3. Shares Fully Paid; Reservation and Listing of Shares; Covenants.**

(a) Shares Fully Paid; Reservation. The Issuer represents, warrants, covenants and agrees that all Warrant Shares which may be issued upon the exercise of this Warrant or otherwise hereunder will, when issued in accordance with the terms of this Warrant, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by or through the Issuer. The Issuer further covenants and agrees that during the period within which this Warrant may be exercised, the Issuer will at all times have authorized and reserved for the purpose of the issuance upon exercise of this Warrant a number of authorized but unissued Common Shares equal to at least the number of Common Shares issuable upon exercise of this Warrant without regard to any limitations on exercise.

(b) Registration; Listing. If any Common Shares required to be reserved for issuance upon exercise of this Warrant or as otherwise provided hereunder require registration or qualification with any Governmental Authority under any federal or state law before such shares may be so issued, the Issuer will in good faith use its reasonable efforts as expeditiously as possible at its expense to cause such shares to be duly registered or qualified. If the Issuer shall list any Common Shares on any securities exchange or market it will, at its expense, list thereon, and maintain and increase when necessary such listing, of, all Warrant Shares from time to time issued upon exercise of this Warrant or as otherwise provided hereunder (provided that such Warrant Shares have been registered pursuant to a registration statement under the Securities Act then in effect), and, to the extent permissible under the applicable securities exchange rules, all unissued Warrant Shares which are at any time issuable hereunder, so long as any Common Shares shall be

so listed. The Issuer will also so list on each securities exchange or market, and will maintain such listing of, any other securities which the Holder of this Warrant shall be entitled to receive upon the exercise of this Warrant if at the time any securities of the same class shall be listed on such securities exchange or market by the Issuer.

(c) Covenants. The Issuer shall not by any action including, without limitation, amending the Certificate of Incorporation or the by-laws of the Issuer, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder hereof. Without limiting the generality of the foregoing, the Issuer will (i) not permit the par value, if any, of its Common Shares to exceed the then effective Warrant Price, (ii) not amend or modify any provision of the Certificate of Incorporation or by-laws of the Issuer in any manner that would adversely affect the rights of the Holder in a manner that is materially disproportionate to other holders of the Issuer's equity securities, (iii) take all such action as may be reasonably necessary in order that the Issuer may validly and legally issue fully paid and nonassessable Common Shares, free and clear of any liens, claims, encumbrances and restrictions (other than as provided herein) created by or through the Issuer upon the exercise of this Warrant, and (iv) use its reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be reasonably necessary to enable the Issuer to perform its obligations under this Warrant.

(d) Loss, Theft, Destruction of Warrant. Upon receipt of evidence satisfactory to the Issuer of the ownership of and the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security satisfactory to the Issuer or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Issuer will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the number of Common Shares remaining available upon exercise of the Warrant which has been lost, stolen, destroyed or mutilated.

(e) Payment of Taxes. The Issuer will pay all transfer and issuance taxes attributable to the preparation, issuance and delivery of this Warrant (and any replacement Warrants) including, without limitation, all documentary and stamp taxes attributable to the initial issuance of the Warrant Shares issuable upon exercise of this Warrant; *provided, however*, that the Issuer shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificates representing Warrant Shares or registration of such Warrant Shares in book-entry form, as applicable, in a name other than that of the Holder in respect to which such shares are issued.

**4. Adjustment of Warrant Price.** The price at which such Warrant Shares may be purchased upon exercise of this Warrant and/or the number of Warrant Shares issuable shall be subject to adjustment from time to time as set forth in this Section 4. The Issuer shall give the Holder notice of any event described below which requires an adjustment pursuant to this Section 4 in accordance with the notice provisions set forth in Section 5.

(a) Recapitalization, Reorganization, Reclassification, Consolidation, Merger or Sale. In the event that the Holder has elected not to exercise this Warrant prior to the consummation of a Change of Control, so long as the Surviving Corporation pursuant to any Change of Control is a company that has a class of equity securities registered pursuant to the Securities Exchange Act of 1934, as amended, and its common shares are listed or quoted on a U.S. national securities exchange, the Surviving Corporation and/or each Person (other than the Issuer) which may be required to deliver any Securities, cash or property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the Holder of this Warrant, (A) the obligations of the Issuer under this Warrant, including, without limitation, those under the Registration Rights Agreement (as defined below) (and if the Issuer shall survive the consummation of such Change of Control, such assumption shall be in addition to, and shall not release the Issuer from, any continuing obligations of the Issuer under this Warrant), and (B) the obligation to deliver to such Holder such Securities, cash or property as, in accordance with the foregoing provisions of this Section 4(a), such Holder shall be entitled to receive, and the Surviving Corporation and/or each such Person shall have similarly delivered to such Holder an opinion of counsel for the Surviving Corporation and/or each such Person, which counsel shall be reasonably satisfactory to such Holder, or in the alternative, a written acknowledgement executed by the President or Chief Financial Officer of the Issuer, stating that this Warrant shall thereafter continue in full force and effect and the terms hereof (including, without limitation, all of the provisions of this Section 4(a)) shall be applicable to the Securities, cash or property which the Surviving Corporation and/or each such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto, in each case, subject to equitable adjustments. If following such a Change of Control, the Surviving Corporation does not have a registered class of equity securities and common shares listed on a U.S. national securities exchange as described in the first sentence of this Section 4(a), then the Holder shall be entitled to receive 1% of the total consideration received by the Company's stockholders in respect of their shares of capital stock in such Change of Control, in lieu of this Warrant, and this Warrant shall expire upon payment of such compensation.

(b) Share Dividends, Subdivisions and Combinations. If at any time the Issuer shall:

(i) make or issue or set a record date for the holders of the Common Shares for the purpose of entitling them to receive a dividend payable in, or other distribution of, Common Shares,

(ii) subdivide its outstanding Common Shares into a larger number of Common Shares, or

(iii) combine its outstanding Common Shares into a smaller number of Common Shares,

then (1) the number of Common Shares for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of Common Shares which a record holder of the same number of Common Shares for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of Common Shares for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of Common Shares for which this Warrant is exercisable immediately after such adjustment.

(c) Certain Other Distributions. If at any time the Issuer shall make or issue or set a record date for the holders of the Common Shares for the purpose of entitling them to receive any dividend or other distribution of:

(i) cash,

(ii) any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Share Equivalents or Additional Common Shares), or

(iii) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Share Equivalents or Additional Common Shares),

then (1) the number of Common Shares for which this Warrant is exercisable shall be adjusted to equal the product of the number of Common Shares for which this Warrant is exercisable immediately prior to such adjustment multiplied by a fraction (A) the numerator of which shall be the Per Share Market Value of Common Shares at the date of taking such record and (B) the denominator of which shall be such Per Share Market Value minus the amount allocable to one share of Common Shares of any such cash so distributable and of the fair value (as determined in good faith by the Board of Directors of the Issuer) of any and all such evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights so distributable, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of Common Shares for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of Common Shares for which this Warrant is exercisable immediately after such adjustment. A reclassification of the Common Shares (other than a change in par value, or from par value to no par value or from no par value to par value) into Common Shares and shares of any other class of stock shall be deemed a distribution by the Issuer to the holders of its Common Shares of such shares of such other class of stock within the meaning of this Section 4(c) and, if the outstanding Common Shares shall be changed into a larger or smaller number of Common Shares as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding Common Shares within the meaning of Section 4(b).

(d) Issuance of Additional Common Shares. In the event the Issuer shall at any time following the Public Listing Date issue any Additional Common Shares (otherwise than as provided in the foregoing subsections (b) through (c) of this Section 4), at a price per share less than 90% of the Warrant Price then in effect or without consideration, then the Warrant Price upon each such issuance shall be adjusted to the price equal to 105% of the consideration per share paid for such Additional Common Shares.

(e) Issuance of Common Share Equivalents. In the event the Issuer shall at any time following the Public Listing Date take a record of the holders of its Common Shares for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Share Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Shares are issuable upon such conversion or exchange shall be less than 90% of the Warrant Price in effect immediately prior to the time of such issue or sale, or if, after any such issuance of Common Share Equivalents, the price per share for which Additional Common Shares may be issuable thereafter is amended or adjusted, and such price as so amended shall be less than 90% of the Warrant Price in effect at the time of such amendment or adjustment, then the Warrant Price then in effect shall be adjusted as provided in Section 4(d). No further adjustments of the number of Common Shares for which this Warrant is exercisable and the Warrant Price then in effect shall be made upon the actual issue of such Common Shares upon conversion or exchange of such Common Share Equivalents.

(f) Other Provisions applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments of the number of Common Shares for which this Warrant is exercisable and the Warrant Price then in effect provided for in this Section 4:

(i) Computation of Consideration. To the extent that any Additional Common Shares or any Common Share Equivalents (or any warrants or other rights therefor) shall be issued for cash consideration, the consideration received by the Issuer therefor shall be the amount of the cash received by the Issuer therefor, or, if such Additional Common Shares or Common Share Equivalents are offered by the Issuer for subscription, the subscription price, or, if such Additional Common Shares or Common Share Equivalents are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price (in any such case subtracting any amounts paid or receivable for accrued interest or accrued dividends and without taking into account any compensation, discounts or expenses paid or incurred by the Issuer for and in the underwriting of, or otherwise in connection with, the issuance thereof). In connection with any merger or consolidation in which the Issuer is the Surviving Corporation (other than any consolidation or merger in which the previously outstanding Common Shares of the Issuer shall be changed to or exchanged for the stock, ordinary or common shares, or other securities of another corporation), the amount of consideration therefor shall be deemed to be the fair value, as determined reasonably and in good faith by the Board, of such portion of the assets and business of the non-surviving corporation as the Board may determine to be attributable to such Common Shares or Common Share Equivalents, as the case may be. The consideration for any Additional Common Shares issuable pursuant to any warrants or other rights to subscribe for or purchase the same shall be the consideration received by the Issuer for issuing such warrants or other rights plus the additional consideration payable to the Issuer upon exercise of such warrants or other rights. The consideration for any Additional Common Shares issuable pursuant to the terms of any Common Share Equivalents shall be the consideration received by the Issuer for issuing warrants or other rights to subscribe for or purchase such Common Share Equivalents, plus the consideration paid or payable to the Issuer in respect of the subscription for or purchase of such Common Share Equivalents, plus the additional consideration, if any, payable to the Issuer upon the exercise of the right of conversion or exchange in such Common Share Equivalents. In the event of any consolidation or merger of the Issuer in which the Issuer is not the Surviving Corporation or in

which the previously outstanding Common Shares of the Issuer shall be changed into or exchanged for the stock, ordinary or common shares, or other securities of another corporation, or in the event of any sale of all or substantially all of the assets of the Issuer for stock, ordinary or common shares, or other securities of any corporation, the Issuer shall be deemed to have issued a number of Common Shares for stock, ordinary or common shares, or securities or other property of the other corporation computed on the basis of the actual exchange ratio on which the transaction was predicated, and for a consideration equal to the fair market value on the date of such transaction of all such stock, ordinary or common shares, or securities or other property of the other corporation. In the event any consideration received by the Issuer for any securities consists of property other than cash, the fair market value thereof at the time of issuance or as otherwise applicable shall be as determined in good faith by the Board. In the event Common Shares are issued with other shares or securities or other assets of the Issuer for consideration which covers both, the consideration computed as provided in this Section 4(f)(i) shall be allocated among such securities and assets as determined in good faith by the Board.

(ii) When Adjustments to Be Made. The adjustments required by this Section 4 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that any adjustment of the number of Common Shares for which this Warrant is exercisable that would otherwise be required may be postponed (except in the case of a subdivision or combination of Common Shares, as provided for in Section 4(b)) up to, but not beyond the date of exercise if such adjustment either by itself or with other adjustments not previously made adds or subtracts less than one percent of the Common Shares for which this Warrant is exercisable immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount (except as aforesaid) which is postponed shall be carried forward and made as soon as such adjustment, together with other adjustments required by this Section 4 and not previously made, would result in a minimum adjustment or on the date of exercise. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(iii) Fractional Interests. In computing adjustments under this Section 4, fractional interests in Common Shares shall be taken into account to the nearest one hundredth (1/100th) of a share.

(iv) When Adjustment Not Required. If the Issuer shall take a record of the holders of its Common Shares for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution to shareholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(g) Form of Warrant after Adjustments. The form of this Warrant need not be changed because of any adjustments in the Warrant Price or the number and kind of Securities purchasable upon the exercise of this Warrant.

**5. Notice of Adjustments.** Whenever the Warrant Price or Warrant Share Number shall be adjusted pursuant to Section 4 hereof (for purposes of this Section 5, each an "adjustment"), the Issuer shall cause its Chief Financial Officer to prepare and execute a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated (including a description of the basis on which the Board made any determination hereunder), and the Warrant Price and Warrant Share Number after giving effect to such adjustment, and shall cause copies of such certificate to be delivered to the Holder of this Warrant promptly after each adjustment. Any dispute between the Issuer and the Holder of this Warrant with respect to the matters set forth in such certificate may at the option of the Holder of this Warrant be submitted to a national or regional accounting firm reasonably acceptable to the Issuer and the Holder, provided that the Issuer shall have ten (10) days after receipt of notice from such Holder of its selection of such firm to object thereto, in which case such Holder shall select another such firm and the Issuer shall have no such right of objection. The firm selected by the Holder of this Warrant as provided in the preceding sentence shall be instructed to deliver a written opinion as to such matters to the Issuer and such Holder within thirty (30) days after submission to it of such dispute. Such opinion shall be final and binding on the parties hereto. The costs and expenses of the initial accounting firm shall be paid equally by the Issuer and the Holder and, in the case of an objection by the Issuer or the Holder, the costs and expenses of the subsequent accounting firm shall be paid in full by the objecting party.

**6. Fractional Shares.** No fractional Warrant Shares will be issued in connection with any exercise hereof, but in lieu of such fractional shares, the Issuer shall, upon request of the Holder, pay the holder entitled to such fraction a sum in cash equal to such fraction multiplied by the Per Share Market Value on such date.

**7. Ownership Cap and Exercise Restriction.** Notwithstanding anything to the contrary set forth in this Warrant, at no time may a Holder of this Warrant exercise this Warrant if the number of Common Shares to be issued pursuant to such exercise would exceed, when aggregated with all Other Common Shares owned by such Holder and its Affiliates at such time, the number of Common Shares which would result in such Holder and its Affiliates beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act and the rules thereunder) in excess of 9.99% of the then issued and outstanding Common Shares; *provided, however*, that upon a Holder of this Warrant providing the Issuer with sixty-one (61) days' notice (pursuant to Section 12 hereof) (the "Waiver Notice") that such Holder would like to waive this Section 7 with regard to any or all Common Shares issuable upon exercise of this Warrant, this Section 7 will be of no force or effect with regard to all or a portion of the Warrant referenced in the Waiver Notice until the date that the Holder notifies the Issuer (pursuant to Section 12 hereof) that the Holder revokes the Waiver Notice; *provided, further*, that during the sixty-one (61) day period prior to the expiration of the Term, the Holder may waive this Section 7 by providing a Waiver Notice at any time during such sixty-one (61) day period.

**8. Definitions.** For the purposes of this Warrant, the following terms have the following meanings:

"Additional Common Shares" means all Common Shares issued by the Issuer after the Public Listing Date, and all Other Common Shares, if any, issued by the Issuer after the Public Listing Date, except: (i) securities issued (other than for cash) in connection with a merger, acquisition, or consolidation, (ii) securities issued pursuant to the conversion or exercise of convertible or exercisable securities issued or outstanding on or prior to the Public Listing Date

(so long as the conversion or exercise price in such securities are not amended to lower such price and/or adversely affect the Holder unless the issuance of shares pursuant to the SEPA results in a lower adjusted price), (iii) securities issued pursuant to the SEPA, (iv) the Warrant Shares, (v) securities issued in connection with bona fide strategic license agreements, consulting agreements, or other partnering or technology development arrangements so long as such issuances are not for the purpose of raising capital, (vi) Common Shares issued or the issuance or grants of options to purchase Common Shares pursuant to the Issuer's option plans and employee equity purchase plans outstanding as they exist on the Public Listing Date, or as subsequently approved by the Board provided that the number of Common Shares issued pursuant to such plans does not exceed five percent (5%) of the Common Shares outstanding, and (vii) any warrants or similar rights issued to the finders, placement agents or their respective designees in subsequent offerings or placements. The exclusions set forth in this definition shall also apply to the issuance or sale of Common Share Equivalents.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"Board" shall mean the Board of Directors of the Issuer.

"Business Day" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close.

"Certificate of Incorporation" means the Certificate of Incorporation of the Issuer as in effect on the date hereof, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and thereof and pursuant to applicable law.

"Change of Control" shall mean (i) the acquisition by any Person of direct or indirect beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the combined voting power of the then-issued and outstanding equity of the Company; (ii) the occurrence of a merger, consolidation, reorganization, share exchange or similar corporate transaction, whether or not the Company is the Surviving Corporation, other than a transaction which would result in the voting equity outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the Surviving Corporation) at least 50% of the voting shares of the Company or such Surviving Corporation immediately after such transaction; or (iii) the sale, transfer or disposition of all or substantially all of the business and assets of the Company to any Person.

"Common Share Equivalent" means any Convertible Security or warrant, option or other right to subscribe for or purchase any Additional Common Shares or any Convertible Security.

"Convertible Securities" means evidences of indebtedness, shares of Equity Capital or other Securities which are or may be at any time convertible into or exchangeable for Additional Common Shares. The term "Convertible Security" means one of the Convertible Securities.

"Equity Capital" means and includes (i) any and all ordinary shares, stock or other common or ordinary equity shares, interests, participations or other equivalents of or interests therein (however designated), including, without limitation, shares of preferred or preference shares, (ii) all partnership interests (whether general or limited) in any Person which is a partnership, (iii) all membership interests or limited liability company interests in any limited liability company, and (iv) all equity or ownership interests in any Person of any other type.

"Governmental Authority" means any governmental, regulatory or self-regulatory entity, department, body, official, authority, commission, board, agency or instrumentality, whether federal, state or local, and whether domestic or foreign.

"Holders" mean the Persons who shall from time to time own this Warrant or any one or more Warrants issued in replacement hereof in accordance with the terms hereof. The term "Holder" means one of the Holders.

"Independent Appraiser" means a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Issuer) that is regularly engaged in the business of appraising the Equity Capital or assets of corporations or other entities as going concerns, and which is not affiliated with either the Issuer or the Holder of any Warrant.

"Other Common Shares" means any other Equity Capital of the Issuer of any class which shall be authorized at any time after the date of this Warrant (other than Common Shares) and which shall have the right to participate in the distribution of earnings and assets of the Issuer without limitation as to amount.

"Per Share Market Value" means on any particular date (a) the last closing bid price per Common Share on such date on a registered national stock exchange on which the Common Shares are then listed, or if there is no such price on such date, then the closing price on such exchange or quotation system on the date nearest preceding such date, or (b) if the Common Shares are not listed or traded then on any registered national stock exchange, the last closing bid price for a Common Share in the over-the-counter market, as reported by the U.S. national securities exchange on which the Common Shares are traded at the close of business on such date, or (c) if the Common Shares are not then publicly traded the fair market value of a Common Share as determined by an Independent Appraiser selected in good faith by the Holder; *provided, however,* that the Issuer, after receipt of the determination by such Independent Appraiser, shall have the right to select an additional Independent Appraiser, in which case, the fair market value shall be equal to the average of the determinations by each such Independent Appraiser; and *provided, further* that all determinations of the Per Share Market Value shall be appropriately adjusted for any dividends, splits or other similar transactions during such period. The determination of fair market value by an Independent Appraiser shall be based upon the fair market value of the Issuer determined on a going concern basis as between a willing buyer and a willing seller and taking into account all relevant factors determinative of value, and shall be final and binding on all parties. In determining the fair market value of any Common Shares, no consideration shall be given to any restrictions on transfer of the Common Shares imposed by agreement or by federal or state securities laws, or to the existence or absence of, or any limitations on, voting rights.

"Person" means an individual, corporation, limited liability company, partnership, joint stock company, trust, unincorporated organization, joint venture, Governmental Authority or other entity of whatever nature.

"Principal Market" means any U.S. securities exchange on which the Common Shares are traded or any other exchange platform in the world on which the Common Shares are traded, including, but not limited to, the London Stock Exchange, the Berlin Stock Exchange, the Frankfurt Stock Exchange, the Shanghai Stock Exchange, the SIX Swiss Exchange or the Stock Exchange of Hong Kong.

"Securities" means any debt or equity securities of the Issuer, whether now or hereafter authorized, any instrument convertible into or exchangeable for Securities or a Security, and any option, warrant or other right to purchase or acquire any Security. "Security" means one of the Securities.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute then in effect.

"SEPA" means the Standby Equity Purchase Agreement, dated as of December 14, 2023, by and YA II PN, LTD., the Company (f/k/a 7GC & Co. Holdings Inc.), and Banzai Operational Co LLC (f/k/a Banzai International, Inc.).

"Subsidiary" means any corporation at least 50% of whose outstanding Voting Shares shall at the time be owned directly or indirectly by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more of its Subsidiaries.

"Successor Company" means (i) any company the common equity shares of which are traded on the Principal Market with which the Company merges, consolidates, amalgamates or combines, including without limitation, the resulting or successor company in a merger, reverse merger, acquisition, consolidation, business combination or similar transaction between the Company or one of its subsidiaries or Affiliates and a special purpose acquisition company whose securities are publicly listed on the Principal Market, following which transaction (A) the shares of the special purpose acquisition company or other entity, the Company, or one of the Company's subsidiaries or Affiliates are publicly listed on the Principal Market, or (B) the applicable publicly listed person holds, owns or has the right to acquire, directly or indirectly, all or substantially all of the assets of the Company (and/or any of its subsidiaries or Affiliates), as determined on a consolidated basis prior to the consummation of the applicable transaction, and (ii) any successor or similar entity of the Company (whether by merger, consolidation, combination or otherwise) or any subsidiary or Affiliate of, or other similar entity related to, the Company or any subsidiary or parent or Affiliate thereof, in each case, formed for the purpose of facilitating, or in connection with, a Public Listing.

"Surviving Corporation" means (a) the corporation surviving or resulting from any merger, consolidation, reorganization, share exchange or similar corporate transaction involving the Company; (b) the direct or indirect parent company of such surviving corporation; or (c) an entity that acquires all or substantially all of the business and assets of the Company.

"Term" has the meaning specified in Section 1 hereof.

"Trading Day" means a day on which the Common Shares are traded on a the Principal Market; *provided, however*, that in the event that the Common Shares are not listed or quoted as set forth in the foregoing clause, then Trading Day shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Voting Shares" means, as applied to the Equity Capital of any corporation, Equity Capital of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the Board of Directors (or other governing body) of such corporation, other than Equity Capital having such power only by reason of the happening of a contingency.

"Warrant Price" means the exercise price set forth in the first paragraph of this Warrant, as such price may be adjusted from time to time as shall result from the adjustments specified in this Warrant, including Section 4 hereto.

"Warrant Share Number" means at any time the aggregate number of Warrant Shares which may at such time be purchased upon exercise of this Warrant, after giving effect to all prior adjustments and increases to such number made or required to be made under the terms hereof.

"Warrant Shares" means Common Shares issuable upon exercise of this Warrant.

**9. Other Notices**. In case at any time:

(a) the Issuer shall make any distributions to the holders of Common Shares; or

(b) the Issuer shall authorize the granting to all holders of its Common Shares of rights to subscribe for or purchase any shares of Equity Capital of any class or other rights; or

(c) there shall be any reclassification of the Equity Capital of the Issuer; or

(d) there shall be any capital reorganization by the Issuer; or

(e) there shall be any (i) consolidation or merger involving the Issuer or (ii) sale, transfer or other disposition of all or substantially all of the Issuer's property, assets or business (except a merger or other reorganization in which the Issuer shall be the surviving corporation and its shares of Equity Capital shall continue to be outstanding and unchanged and except a consolidation, merger, sale, transfer or other disposition involving a wholly-owned Subsidiary); or

(f) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or any partial liquidation of the Issuer or distribution to holders of Common Shares;

then, in each such case, the Issuer shall, to the extent permitted by law, give written notice to the Holder of the date on which (i) the books of the Issuer shall close or a record shall be taken for such dividend, distribution or subscription rights or (ii) such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be, shall take place. Such notice also shall specify the date as of which the holders of Common Shares of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be. To the extent permitted by law, such notice shall be given at least twenty (20) days prior to the action in question and not less than five (5) days prior to the record date or the date on which the Issuer's transfer books are closed in respect thereto. This Warrant entitles the Holder to receive copies of all financial and other information distributed or required to be distributed to the holders of the Common Shares.

**10. Amendment and Waiver.** Any term, covenant, agreement or condition in this Warrant may be amended, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), by a written instrument or written instruments executed by the Issuer and the Holder.

**11. Governing Law; Jurisdiction**. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. This Warrant shall not be interpreted or construed with any presumption against the party causing this Warrant to be drafted. The Issuer and the Holder agree that venue for any dispute arising under this Warrant will lie exclusively in the state or federal courts located in New York, and the parties irrevocably waive any right to raise *forum non conveniens* or any other argument that New York is not the proper venue. The Issuer and the Holder irrevocably consent to personal jurisdiction in the state and federal courts of the state of New York. The Issuer and the Holder consent to process being served in any such suit, action or proceeding by sending by electronic mail a copy thereof to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 11 shall affect or limit any right to serve process in any other manner permitted by law. **THE ISSUER AND THE HOLDER HEREBY AGREE THAT THE PREVAILING PARTY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS WARRANT, SHALL BE ENTITLED TO REIMBURSEMENT FOR REASONABLE LEGAL FEES FROM THE NON-PREVAILING PARTY. THE PARTIES HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY.**

**12. Notices.** Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be delivered in writing by electronic mail, return receipt requested, properly addressed to the party to receive the same. The email addresses for such communications shall be:

| | |
|---|---|
| If to the Company: | Banzai International, Inc.<br>Attn: Joe Davy<br>Email: joe@banzai.io |
| With a copy (which shall not constitute notice): | Sidley Austin LLP<br>Attn: Joshua G. DuClos; Michael P. Heinz<br>Email: jduclos@sidley.com;<br>mheinz@sidley.com |
| If to GEM: | GEM Yield Bahamas Ltd.<br>Attn: Christopher F. Brown, Manager<br>Email: cbrown@gemny.com |
| With a copy (which shall not constitute notice) to: | Gibson, Dunn & Crutcher LLP<br>Attn: Boris Dolgonos<br>Email: bdolgonos@gibsondunn.com |

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

**13. Warrant Agent.** The Issuer may, by written notice to each Holder of this Warrant, appoint an agent having an office in New York, New York for the purpose of issuing Warrant Shares on the exercise of this Warrant pursuant to Section 2(b) above, exchanging this Warrant pursuant to Section 2(c) above or replacing this Warrant pursuant to Section 3(d) above, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such agent.

**14. Remedies**. The Issuer stipulates that the remedies at law of the Holder of this Warrant in the event of any default or threatened default by the Issuer in the performance of or compliance with any of the terms of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

**15. Successors and Assigns.** This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Issuer (including any Successor Company), the Holder hereof and (to the extent provided herein) the Holders of Warrant Shares issued pursuant hereto, and shall be enforceable by any such Holder or Holder of Warrant Shares.

**16. Modification and Severability.** If, in any action before any court or agency legally empowered to enforce any provision contained herein, any provision hereof is found to be unenforceable, then such provision shall be deemed modified to the extent necessary to make it enforceable by such court or agency. If any such provision is not enforceable as set forth in the preceding sentence, the unenforceability of such provision shall not affect the other provisions of this Warrant, but this Warrant shall be construed as if such unenforceable provision had never been contained herein.

**17. Headings.** The headings of the Sections of this Warrant are for convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

**18. Registration Rights.** The Holder of this Warrant is entitled to the benefit of certain registration rights with respect to the Warrant Shares issuable upon the exercise of this Warrant pursuant to that certain Registration Rights Agreement, by and among the Issuer and the Holder (the "Registration Rights Agreement") and the registration rights with respect to the Warrant Shares issuable upon the exercise of this Warrant by any subsequent Holder may only be assigned in accordance with the terms and provisions of the Registration Rights Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has executed this Warrant as of the day and year first above written.

**BANZAI INTERNATIONAL, INC.**

By: /s/ Joseph Davy
Name: Joseph Davy
Title: Chief Executive Officer

**EXERCISE FORM**
**WARRANT**

**BANZAI INTERNATIONAL, INC.**

The undersigned _____, pursuant to the provisions of the within Warrant, hereby elects to purchase _____ Common Shares covered by the within Warrant.

Dated: _____

Signature _____
Address _____
_____

Number of Common Shares beneficially owned or deemed beneficially owned by the Holder on the date of exercise: _____

The undersigned is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended.

The undersigned intends that payment of the Warrant Price shall be made as (check one):

Cash Exercise_____

Cashless Exercise_____

If the Holder has elected a cash exercise, the Holder shall pay the sum of $_____ by certified or official bank check (or via wire transfer) to the Issuer in accordance with the terms of the Warrant.

If the Holder has elected a cashless exercise, a certificate shall be issued to the Holder for the number of shares (or such number of shares shall be registered in book-entry form in the name of the Holder, as applicable) equal to the whole number portion of the product of the calculation set forth below, which is _____. The Company shall pay a cash adjustment in respect of the fractional portion of the product of the calculation set forth below in an amount equal to the product of the fractional portion of such product and the Per Share Market Value on the date of exercise, which product is _____.

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

The number of Common Shares to be issued to the Holder _____ ("X").

The number of Common Shares purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised _____ ("Y").

The Warrant Price _____ ("A").

The Per Share Market Value of one Common Share _____ ("B").

**ASSIGNMENT**

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ the within Warrant and all rights evidenced thereby and does irrevocably constitute and appoint _____, attorney, to transfer the said Warrant on the books of the within named corporation.

Dated: _____

Signature _____
Address _____
_____
_____

**PARTIAL ASSIGNMENT**

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ the right to purchase _____ Warrant Shares evidenced by the within Warrant together with all rights therein, and does irrevocably constitute and appoint _____, attorney, to transfer that part of the said Warrant on the books of the within named corporation.

Dated: _____

Signature _____
Address _____
_____

FOR USE BY THE ISSUER ONLY:

This Warrant No. W-___ canceled (or transferred or exchanged) this _____ day of _____, _____, Common Shares issued therefor in the name of _____, Warrant No. W-_____ issued for ____ Common Shares in the name of _____.

**Exhibit 4.8**

**BANZAI INTERNATIONAL, INC.**

December 14, 2023

GEM Global Yield LLC SCS
GEM Yield Bahamas Limited

Re: Share Purchase Agreement, dated as of May 27, 2022, among Banzai International, Inc., GEM Global Yield LLC SCS and GEM Yield Bahamas Limited ("SPA") and the term sheet among those parties dated December 13, 2023 ("Term Sheet") related to a convertible debenture issued *in lieu* of the Commitment Fee.

Dear GEM:

This letter confirms that the SPA shall terminates retroactively, effective as of the date of the Term Sheet, upon issuance of the final convertible debenture documentation on terms 100% consistent with and identical to the Term Sheet, and the issuance of warrants described in Section 4.12(b) of the SPA. Banzai International and you will cooperate to promptly finalize the convertible debenture documentation and Banzai International will issue the warrants due to you as provided in Section 4.12(b) of SPA. Banzai International will be entering into alternative financing arrangements with this understanding, and you hereby consent thereto and waive any and all provisions of the SPA that could otherwise be deemed breached by such alternative financing arrangements; provided, however, that if Banzai International fails to issue you the warrants, or fails to issue you the convertible debenture on terms 100% consistent with and identical to the Term sheet, in each case pursuant to this letter, this waiver shall be null and void.

Acknowledged and agreed:

Banzai International, Inc.

By: /s/ Joe Davy
Name: Joe Davy
Title: Chief Executive Officer

GEM Global Yield LLC SCS

By: /s/ Christopher F. Brown
Name: Christopher F. Brown
Title: Manager

GEM Yield Bahamas Limited

By: /s/ Christopher F. Brown
Name: Christopher F. Brown
Title: Manager

[Signature Page to Letter Agreement—Incentive Plans]

**Exhibit 10.5**

**FOUNDER SHARE TRANSFER AGREEMENT**

December 13, 2023

7GC & Co. Holdings Inc.
388 Market Street, Suite
1300 San Francisco, CA 94111

**Re: Founder Share Transfer**

Ladies and Gentlemen:

Reference is hereby made to that certain Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022 (the "**Original Merger Agreement**"), by and among 7GC & Co. Holdings Inc., a Delaware corporation (the "**Company**"), Banzai International, Inc., a Delaware corporation ("**Banzai**"), 7GC Merger Sub I, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company, and 7GC Merger Sub II, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Company, as amended by the Amendment to Agreement and Plan of Merger, dated as of August 4, 2023, by and between the Company and Banzai (the "**Amendment**" and together with the Original Merger Agreement, the "**Merger Agreement**"). In order to facilitate the consummation of the transactions contemplated by the Merger Agreement (the "**Business Combination**"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, 7GC & Co. Holdings LLC, a Delaware limited liability company and stockholder of the Company (the "**Sponsor**") and Alco Investment Company (the "**Investor**") have agreed to enter into this letter agreement (this "**Agreement**") relating to the following actions to occur concurrently with the consummation of the Business Combination (the "**Closing**"): (i) the surrender by the Sponsor to the Company for forfeiture of the Sponsor Forfeited Shares (as defined below) in exchange for no consideration; and (ii) the issuance by the Company to Investor of an equivalent number of Investor Shares (as defined below), subject to the terms and conditions of this Agreement. Capitalized terms used and not otherwise defined herein are defined in the Merger Agreement and shall have the meanings given to such terms in the Merger Agreement.

The Company, the Sponsor, and the Investor each hereby agree as follows:

1. *Forfeiture of Sponsor Forfeited Shares*. Concurrently with (and contingent upon) the Closing, the Sponsor shall forfeit to the Company three founder shares (i.e., shares of the Company's Class B common stock, par value $0.0001 per share) held by the Sponsor (such shares, the "**Sponsor Forfeited Shares**," and such forfeiture, the "**Forfeiture**") for each ten dollars lent by the Investor to Banzai pursuant to that certain Promissory Note, dated December 13, 2023, by and between the Investor and Banzai and attached hereto as **Exhibit A** (the "**Note**"), up to a maximum of 600,000 Sponsor Forfeited Shares. To effect the Forfeiture, concurrently with (and contingent upon) the Closing: (a) the Sponsor shall transfer the Sponsor Forfeited Shares to the Company for cancellation and in exchange for no consideration; (b) the Company shall immediately retire and cancel all of the Sponsor Forfeited Shares (and shall direct the Company's transfer agent (or such other intermediaries as appropriate) to take any and all such actions incident thereto); and (c) the Sponsor and the Company each shall take such actions as are necessary to cause the Sponsor Forfeited Shares to be retired and cancelled, after which the Sponsor Forfeited Shares shall no longer be issued or outstanding.

2. *Issuance of Investor Shares*. Concurrently with (and contingent upon) the Closing, the Company shall issue to Investor three newly issued shares of the Company's Class A common stock, par value $0.0001 per share, subject to the terms of this Agreement, including the transfer restrictions set forth in paragraph 3 hereof (such shares, the "**Investor Shares**") for each ten dollars lent to Banzai pursuant to the Note, up to a maximum of 600,000 Investor Shares. The Company agrees that the Investor Shares shall receive customary registration rights pursuant to the terms of an amended and restated registration rights agreement to be entered into at the Closing in accordance with the Merger Agreement.

3. *Transfer Restrictions.* Until the expiration of the period (such period, the "**Lock-up Period**") commencing on the Closing Date until the earlier of (i) 180 days after the Closing Date or (ii) the date following the Closing Date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property, Investor shall not directly or indirectly offer, sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or distribute any portion of the Investor Shares or any securities convertible into, exercisable for, exchangeable for or that represent the right to receive Investor Shares. Investor hereby authorizes the Company at any time prior to the expiration of the Lock-up Period to cause its transfer agent for the Investor Shares to decline to transfer, and to note stop transfer restrictions on the stock register and other records relating to the Investor Shares, if such transfer would constitute a violation or breach of this Agreement. Notwithstanding the foregoing, Investor may sell or otherwise transfer all or any portion of the Investor Shares to: (a) the Company's officers or directors, any affiliate or family member of any of the Company's officers or directors or any affiliate of the Sponsor or to any member(s) of the Sponsor or any of their affiliates; (b) in the case of an individual, (1) 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, (2) by virtue of laws of descent and distribution upon death of such individual, or (3) pursuant to a qualified domestic relations order; or (c) by virtue of the laws of the State of Delaware; provided, however, that in each case, these permitted transferees must enter into a written agreement with the Company agreeing to be bound by the transfer restrictions herein.

4. *Sponsor Retention of Sponsor Forfeited Shares Prior to the Closing*. Prior to the Closing, the Sponsor shall not, directly or indirectly, sell, transfer or otherwise dispose of or hypothecate, or otherwise grant any interest in or to, the Sponsor Forfeited Shares without Investor's consent, except to effectuate the Forfeiture contemplated hereunder. The Sponsor hereby authorizes the Company during the period from the date hereof until the earlier of the Closing or termination of this Agreement to cause its transfer agent for the common stock to decline to transfer, and to note stop transfer restrictions on the stock register and/or legends on the stock certificate(s) and other records relating to the Sponsor Forfeited Shares to effectuate these restrictions with respect to the Sponsor Forfeited Shares.

5. *Entire Agreement*. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and supersedes all prior understandings, agreements, or representations by or among the parties hereto, written or oral, to the extent they relate in any way to the subject matter hereof. This Agreement may not be changed, amended, modified or waived (other than to correct a typographical error) as to any particular provision, except by a written instrument executed by all parties hereto.

6. *Assignment*. Except as expressly permitted by paragraph 3 or in connection with the Second Merger as contemplated by the Merger Agreement, no party hereto may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other party hereto. Any purported assignment in violation of this paragraph shall be void and ineffectual and shall not operate to transfer or assign any interest or title to the purported assignee. This Agreement shall be binding on the undersigned and their respective successors and assigns.

7. *Governing Law and Venue*. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. Each of the parties hereto hereby (i) agrees that any action, proceeding, claim or dispute arising out of, or relating in any way to, this Agreement shall be brought and enforced in the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction, then in the applicable Delaware state court), or if under applicable Law exclusive jurisdiction of such action is vested in the federal courts, then the United States District Court for the District of Delaware, and irrevocably submits to such jurisdiction and venue, which jurisdiction and venue shall be exclusive, and (ii) waives any objection to such exclusive jurisdiction and venue or that such courts represent an inconvenient forum.

8. *Notices*. Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and shall be sent by express mail or similar private courier service, by certified mail (return receipt requested), by hand delivery or facsimile transmission.

9. *Termination of Merger Agreement*. This Agreement shall immediately terminate, without any further action by the parties hereto, at such time, if any, that the Merger Agreement is terminated in accordance with its terms.

[*Remainder of Page Intentionally Left Blank*]

Please indicate your agreement to the foregoing by signing in the space provided below.

**7GC & CO. HOLDINGS INC.**

By: /s/ Jack Leeney
Name: Jack Leeney
Title: Chief Executive Officer

**7GC & CO. HOLDINGS LLC**

By: /s/ Jack Leeney
Name: Jack Leeney
Title: Manager

**ALCO INVESTMENT COMPANY**

By: /s/ Mason Ward
Name: Mason Ward
Title: Chief Financial Officer

**Exhibit A**

**The Note**

[Intentionally Omitted.]

**Exhibit 10.6**

**AMENDED AND RESTATED**
**REGISTRATION RIGHTS AGREEMENT**

This AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "***Agreement***"), dated as of December 14, 2023, is made and entered into by and among Banzai International, Inc. (formerly known as 7GC & Co. Holdings Inc.), a Delaware corporation (the "***Company***"), 7GC & Co. Holdings LLC, a Delaware limited liability company (the "***Sponsor***"), each of the undersigned parties that holds Founder Shares (as defined below) and is identified as an "Other Pre-IPO Holder" on the signature pages hereto (collectively, with the Sponsor, the "***Existing Holders***"), and the undersigned parties identified as "New Holders" on the signature pages hereto (collectively, the "***New Holders***") (each of the foregoing parties (other than the Company) and any person or entity who hereafter becomes a party to this Agreement pursuant to Section 5.2 of this Agreement, a "***Holder***" and collectively, the "***Holders***"). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed thereto in the Merger Agreement (as defined below).

**RECITALS**

**WHEREAS**, the Company and the Sponsor entered into that certain Securities Subscription Agreement, dated as of September 18, 2020, pursuant to which the Sponsor purchased an aggregate of 5,031,250 shares of the Company's Class B common stock, par value $0.0001 per share ("***Class B Common Stock***"), which were issued in a private placement prior to the closing of the Company's initial public offering;

**WHEREAS**, on December 1, 2020, the Sponsor transferred 25,000 shares of Class B Common Stock held by the Sponsor to each of Kent Schofield, Tripp Jones, Patrick Eggen and Courtney Robinson (collectively, the "***Company Directors***");

**WHEREAS**, in December 2020, the Company effected a stock dividend of approximately 0.143 of a share for each share of Class B Common Stock outstanding, resulting in an aggregate of 5,750,000 shares of Class B Common Stock outstanding (the outstanding shares of Class B Common Stock held by each of the Sponsor and the Company Directors being referred to herein as the "***Founder Shares***");

**WHEREAS**, upon the consummation of the transactions (the "***Closing***") contemplated by the Merger Agreement (as defined below), the Founder Shares shall be automatically converted into shares of the Company's Class A common stock, par value $0.0001 per share ("***Class A Common Stock***"), on a one- for-one basis, subject to adjustment;

**WHEREAS**, in order to finance the Company's transaction costs in connection with the transactions contemplated by the Merger Agreement, the Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, loan to the Company funds as the Company may require, of which up to $1,500,000 of such loans may be convertible into up to an additional 1,500,000 warrants at a price of $1.00 per warrant (the "***Working Capital Warrants***");

**WHEREAS**, the Company entered into that certain Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022 (the "***Merger Agreement***"), by and among the Company, 7GC Merger Sub I, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company ("***First Merger Sub***"), 7GC Merger Sub II, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Company ("**Second Merger Sub**" and, together with First Merger Sub, the "**Merger Subs**" and each, a "***Merger Sub***"), and Banzai International, Inc., a Delaware corporation ("***Banzai***"), pursuant to which, through a series of mergers at the Closing with the Merger Subs, Banzai will be merged with and into Second Merger Sub, with Second Merger Sub surviving the mergers and remaining a wholly-owned subsidiary of the Company;

**WHEREAS**, pursuant to the transactions contemplated by the Merger Agreement and subject to the terms and conditions set forth therein, upon the Closing, the New Holders will receive shares of the Company's Class A Common Stock and/or Class B Common Stock;

**WHEREAS**, each of the Company and the Existing Holders is a party to that certain Registration Rights Agreement, dated December 22, 2020 (the "***Existing Registration Rights Agreement***"), pursuant to which the Company granted the Existing Holders certain registration rights with respect to certain securities of the Company, as set forth therein; and

**WHEREAS**, upon the Closing, each party to the Existing Registration Rights Agreement desires to amend and restate the Existing Registration Rights Agreement in its entirety as set forth herein, and the Company and the Holders desire to enter into this Agreement, pursuant to which the Company shall grant the Holders certain registration rights with respect to the Registrable Securities (as defined below) on the terms and conditions 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 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 principal financial officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, declared effective, or used, as the case may be, and (iii) the Company has a bona fide business purpose for not making such information public.

"***Agreement***" shall have the meaning given in the Preamble. "***Banzai***" shall have the meaning given in the Recitals hereto. "***Board***" shall mean the Board of Directors of the Company.

"***business day***" shall mean a day, other than a Saturday or Sunday, on which commercial banks in San Francisco, California or Salt Lake City, Utah are open for the general transaction of business.

"***Closing***" shall have the meaning given in the Recitals hereto.

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

"***Common Stock***" shall mean the common stock, par value $0.0001 per share, of the Company (which, for the avoidance of doubt, is comprised of shares designated as "Class A" and "Class B" common stock).

"***Company***" shall have the meaning given in the Preamble.

"***Company Underwritten Demand Notice***" shall have the meaning given in subsection 2.1.3.

"***Demanding Holder***" shall have the meaning given in subsection 2.1.3.

"***Effectiveness Deadline***" shall have the meaning given in subsection 2.1.1.

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

"***Existing Holders***" shall have the meaning given in the Preamble.

"***Existing Registration Rights Agreement***" shall have the meaning given in the Recitals hereto.

"***First Merger Sub***" shall have the meaning given in the Recitals hereto.

"***Form S-1 Registration Statement***" shall mean a Registration Statement on Form S-1 allowing for the delayed or continuous offering and sale of the Registrable Securities pursuant to Rule 415.

"***Form S-3 Shelf***" shall mean a Registration Statement on Form S-3 allowing for the delayed or continuous offering and sale of the Registrable Securities pursuant to Rule 415.

"***Founder Shares***" shall have the meaning given in the Recitals hereto and shall, for the avoidance of doubt, be deemed to include the shares of Class A Common Stock issuable upon conversion thereof.

"***Founder Shares Lock-Up Period***" shall mean, with respect to the Founder Shares, from the date hereof until the earlier of (A) 180 days after the date hereof; and (B) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property.

"***GEM Agreement***" shall mean that certain Share Purchase Agreement, dated as of May 27, 2022, by and between the Company and GEM Global Yield LLC SCS and GEM Yield Bahamas Limited.

"***Holder***" and "***Holders***" shall have the meanings given in the Preamble.

"***Insider Letter***" shall mean that certain letter agreement, dated as of December 22, 2020, by and among the Company, the Sponsor and each of the Company's officers and directors signatory thereto.

"***Lock-Up Period***" shall mean the Founder Shares Lock-Up Period.

"***Maximum Number of Securities***" shall have the meaning given in subsection 2.1.5.

"***Merger Agreement***" shall have the meaning given in the Recitals hereto.

"***Merger Sub***" and "***Merger Subs***" shall have the meanings given in the Recitals hereto.

"***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 case of the Prospectus, in the light of the circumstances under which they were made) not misleading.

"***New Holders***" shall have the meaning given in the Preamble.

"***Permitted Transferees***" shall mean any person or entity (i) to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the Lock-Up Period, under the Insider Letter, this Agreement and any other applicable agreement between such Holder and the Company, and to any transferee thereafter, and (ii) who agrees to become bound by the transfer restrictions set forth in this Agreement.

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

"***Pro Rata***" shall have the meaning given in subsection 2.1.5.

"***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 (a) the Founder Shares (including, for the avoidance of doubt, the shares of Class A Common Stock issued or issuable upon the conversion of any Founder Shares), (b) any issued and outstanding share 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 an Existing Holder as of the date of this Agreement, (c) any shares of Common Stock issued or issuable upon exercise of the Working Capital Warrants, (d) any outstanding shares of Common Stock or any other equity security of the Company held by a New Holder as of the date of this Agreement (including shares transferred to a Permitted Transferee and the shares of Common Stock issued or issuable upon the exercise of any such other equity security)

and (e) any other equity security of the Company issued or issuable with respect to any such share of the Common Stock described in the foregoing clauses (a) through (e) by way of a stock dividend or stock split or in connection with a combination of shares, distribution, recapitalization, merger, consolidation or reorganization or other similar event; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities upon the earliest to occur of: (i) 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; (ii) such securities shall have been otherwise transferred, new certificates or book entry positions for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (iii) such securities shall have ceased to be outstanding; (iv) such securities may be sold without registration pursuant to Rule 144 (but with no volume or manner of sale limitations thereunder); or (v) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

"***Registration***" shall mean a registration effected by preparing and filing a registration statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

"***Registration Expenses***" shall mean the out-of-pocket expenses of a Registration, including, without limitation, the following:

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

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable and customary fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(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 selected by the majority-in- interest of the Demanding Holders initiating an Underwritten Demand to be registered for offer and sale in the applicable Registration.

"***Registration Statement***" shall mean any registration statement under the Securities Act that covers the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

"***Requesting Holders***" shall have the meaning given in subsection 2.1.3.

"***Restricted Securities***" shall have the meaning given in subsection 3.6.1.

"***Rule 144***" shall mean Rule 144 promulgated under the Securities Act (together with any successor rule promulgated thereafter by the Commission).

"***Rule 415***" shall have the meaning given in subsection 2.1.1.

"***Second Merger Sub***" shall have the meaning given in the Recitals hereto. "***Securities Act***" shall mean the Securities Act of 1933, as amended from time to time. "***Sponsor***" shall have the meaning given in the Preamble.

"***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 Demand***" shall have the meaning given in subsection 2.1.3.

***"Underwritten Demand Notice***" shall have the meaning given in subsection 2.1.3.

"***Underwritten Registration***" or "***Underwritten Offering***" shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public, including an offering and/or sale of Registrable Securities by any Holder in a block trade or on an underwritten basis (whether firm commitment or otherwise) without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction, but excluding a variable price reoffer.

"***Working Capital Warrants***" shall have the meaning given in the Recitals hereto.

## ARTICLE II
## REGISTRATIONS

2.1 Shelf Registration.

2.1.1 Initial Registration. The Company shall use its reasonable best efforts to, as promptly as reasonably practicable, but in no event later than thirty (30) days after the Closing (the "***Filing Deadline***"), file a Form S-1 Registration Statement under the Securities Act to permit the public resale of all the Registrable Securities held by the Holders (and certain other outstanding equity securities of the Company) from time to time as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) ("***Rule 415***") on the terms and conditions specified in this subsection 2.1.1 and shall use its reasonable best efforts to cause such Registration Statement to be declared effective as promptly as reasonably practicable after the initial filing thereof, but in no event later than sixty (60) business days following the Filing Deadline (the "***Effectiveness Deadline***"); provided, that the Effectiveness Deadline shall be extended to one hundred and twenty (120) days after the Filing Deadline if the Registration Statement is reviewed by, and receives comments from, the Commission. The Registration Statement filed with the Commission pursuant to this subsection 2.1.1 shall be on a Form S-1 Registration Statement or such other form of registration statement as is then available to effect a registration for resale of such

Registrable Securities, covering such Registrable Securities, and shall contain a Prospectus in such form as to permit any Holder to sell such Registrable Securities pursuant to Rule 415 at any time beginning on the effective date for such Registration Statement. A Registration Statement filed pursuant to this subsection 2.1.1 shall provide for the resale pursuant to any method or combination of methods legally available to, and reasonably requested prior to effectiveness by, the Holders. The Company shall use its reasonable best efforts to cause a Registration Statement filed pursuant to this subsection 2.1.1 to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities. When effective, a Registration Statement filed pursuant to this subsection 2.1.1 (including the documents incorporated therein by reference) 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 any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements 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).

2.1.2 Form S-3 Shelf. The Company shall use its commercially reasonable efforts to convert the Form S-1 Registration Statement to a Form S-3 Shelf as soon as practicable after the Company is eligible to use a Form S-3 Shelf. If the Company files a Form S-3 Shelf and thereafter the Company becomes ineligible to use Form S-3 for secondary sales, the Company shall use its reasonable best efforts to file a Form S-1 Registration Statement as promptly as reasonably practicable to replace the shelf registration statement that is a Form S-3 Shelf and have the Form S- 1 Registration Statement declared effective as promptly as reasonably practicable and to cause such Form S-1 Registration Statement to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities.

2.1.3 Underwritten Offering. At any time and from time to time following the effectiveness of the Registration Statement required by subsections 2.1.1 or 2.1.2, any Holder may request to sell all or a portion of their Registrable Securities (a "***Demanding Holder***") in an underwritten offering that is registered pursuant to such Registration Statement (an "***Underwritten Demand***"), provided that such Holder(s) (a) reasonably expect aggregate gross proceeds in excess of $50,000,000 from such Underwritten Offering or (b) reasonably expects to sell all of the Registrable Securities held by such Holder in such Underwritten Offering but in no event less than $10,000,000 in aggregate gross proceeds. All requests for an Underwritten Offering shall be made by giving written notice to the Company (the "***Underwritten Demand Notice***"). Each Underwritten Demand Notice shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Offering and the expected price range (net of underwriting discounts and commissions) of such Underwritten Offering. Within five (5) business days after receipt of any Underwritten Demand Notice, the Company shall give written notice of such requested Underwritten Offering (the "***Company Underwritten Demand Notice***") to all other Holders of Registrable Securities (the "***Requesting Holders***") and, subject to reductions consistent with the Pro Rata calculations in subsection 2.1.5, shall include in such Underwritten Offering all Registrable Securities with respect to which the Company has received written requests for inclusion therein, within five (5) days after sending the Company Underwritten Demand Notice. The Company shall enter into an underwriting

agreement in a form as is customary in Underwritten Offerings of securities by the Company with the managing Underwriter or Underwriters selected by the initiating Demanding Holders with the written consent of the Company (such consent not to be unreasonably withheld, conditioned or delayed) and shall take all such other reasonable actions as are requested by the managing Underwriter or Underwriters in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any Underwritten Offering contemplated by this subsection 2.1.3, subject to Section 3.3 and Article IV, the underwriting agreement into which each Holder and the Company shall enter shall contain such representations and warranties, covenants, indemnities and other rights and obligations of the Company and such Holders as are customary in underwritten offerings of securities. Under no circumstances shall the Company be obligated to effect (x) more than an aggregate of three (3) Underwritten Offerings pursuant to an Underwritten Demand by the Holders under this subsection 2.1.3 with respect to any or all Registrable Securities held by such Holders and (y) more than two (2) Underwritten Offerings per year pursuant to this subsection 2.1.3; provided, however, that an Underwritten Offering pursuant to an Underwritten Demand shall not be counted for such purposes unless a Registration Statement that may be available at such time has become effective and all of the Registrable Securities requested by the Requesting Holders and the Demanding Holders to be registered on behalf of the Requesting Holders and the Demanding Holders in such Registration Statement have been sold, in accordance with Section 3.1 of this Agreement.

2.1.4 Holder Information Required for Participation in Underwritten Offering. At least ten (10) business days prior to the first anticipated filing date of a Registration Statement pursuant to this Article II, the Company shall use reasonable best efforts to notify each Holder in writing (which may be by email) of the information reasonably necessary about the Holder to include such Holder's Registrable Securities in such Registration Statement. Notwithstanding anything else in this Agreement, the Company shall not be obligated to include such Holder's Registrable Securities to the extent the Company has not received such information, and received any other reasonably requested agreements or certificates, on or prior to the fifth business day prior to the first anticipated filing date of a Registration Statement pursuant to this Article II.

2.1.5 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Offering, in good faith, advises the Company, the Demanding Holders and the Requesting Holders (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other Common Stock or other equity securities that the Company desires to sell and the Common Stock, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any other stockholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "***Maximum Number of Securities***"), then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders (pro rata based on the respective number of Registrable Securities that each Demanding Holder has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Demanding Holders have requested be included in such Underwritten Registration (such proportion is referred to herein as "***Pro Rata***")) that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the Registrable

Securities of Requesting Holders (Pro Rata, based on the respective number of Registrable Securities that each Requesting Holder has so requested) exercising their rights to register their Registrable Securities pursuant to subsection 2.1.3 hereof, without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities that the Company desires to sell, which can be sold 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 Common Stock or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.6 Underwritten Offering Withdrawal. A majority-in-interest of the Demanding Holders initiating an Underwritten Demand or a majority-in-interest of the Requesting Holders (if any), pursuant to a Registration under subsection 2.1.3 shall have the right to withdraw from a Registration pursuant to an Underwritten Offering pursuant to subsection 2.1.3 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 at least five (5) business days prior to the effectiveness of the Registration Statement filed with the Commission with respect to the Registration of their Registrable Securities pursuant to such Underwritten Offering (or in the case of an Underwritten Registration pursuant to Rule 415, at least five (5) business days prior to the time of pricing of the applicable offering). 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 an Underwritten Offering prior to its withdrawal under this subsection 2.1.6.

2.2 Piggyback Registration.

2.2.1 Piggyback Rights. If, at any time on or 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 Section 2.1 hereof), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for a rights offering or 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 or (iv) for a dividend reinvestment plan, then the Company shall give written notice of such proposed filing to all of the Holders of Registrable Securities as soon as practicable but not less than ten (10) days before the anticipated filing date of such Registration Statement, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of Registrable Securities the opportunity to register the sale of such number of Registrable Securities as such Holders may request in writing within five (5) days after receipt of such written notice (such Registration a "***Piggyback Registration***"). The Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and shall use its reasonable best efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Holders pursuant to this subsection 2.2.1 to be included in a

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 2.2.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company.

2.2.2 Reduction of Piggyback Registration. If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggyback Registration, in good faith, advises the Company and the Holders of Registrable Securities participating in the 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, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.2 hereof, and (iii) the shares of Common Stock, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of other stockholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in any such Registration (A) first, the 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 2.2.1 hereof, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock, if any, as to which Registration has been requested or demanded pursuant to written contractual Piggyback Registration rights of other stockholders of the Company, 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 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 2.2.1, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the 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 Common Stock or other equity securities for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with such persons or entities, which can be sold without exceeding the Maximum Number of Securities.

2.2.3 Piggyback Registration Withdrawal. Any Holder of Registrable Securities 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 his, her or its intention to withdraw from such Piggyback Registration at least five (5) business days prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration (or in the case of an Underwritten Registration pursuant to Rule 415, at least five (5) business days prior to the time of pricing of the applicable offering). The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons 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, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this subsection 2.2.3.

2.2.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.2 hereof shall not be counted as a Registration pursuant to an Underwritten Offering effected under subsection 2.1.3.

2.3 Restrictions on Registration Rights. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to (but may, at its sole option) (A) effect an Underwritten Offering (i) within sixty (60) days after the closing of an Underwritten Offering, or (ii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) days after the effective date of, a Company-initiated Registration and provided that the Company has delivered written notice to the Holders prior to receipt of an Underwritten Demand pursuant to subsection 2.1.3 and it continues to actively employ, in good faith, all reasonable best efforts to cause the applicable Registration Statement to become effective or (B) file a Registration Statement (or any amendment thereto) or effect an Underwritten Offering (or, if the Company has filed a shelf Registration Statement and has included Registrable Securities therein, the Company shall be entitled to suspend the offer and sale of Registrable Securities pursuant to such Registration Statement) for a period of up to forty-five (45) days (i) if the Holders have requested an Underwritten Demand and the Company and the Holders are unable to obtain the commitment of Underwriters to firmly underwrite the offer; or (ii) in the good faith judgment of the Board such Underwritten Offering would be materially detrimental to the Company and the Board concludes as a result that it is essential to defer the filing of such Registration Statement at such time, provided that in each case of (i) and (ii) the Company shall furnish to such Holders a certificate signed by the Chairman of the Board 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 in the near future and that it is therefore essential to defer the filing of such Registration Statement and provided, further, that the Company shall not defer its obligation in this manner more than once in any 12 month period.

**ARTICLE III**
**COMPANY PROCEDURES**

3.1 General Procedures. If the Company is required to effect the Registration of Registrable Securities, subject to applicable law and any regulations promulgated by any securities exchange on which the Registrable Securities are then listed, the Company shall use its reasonable best efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall, as expeditiously as possible:

3.1.1 prepare and file with the Commission within thirty (30) days a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective and remain effective until all Registrable Securities covered by such Registration Statement have been sold;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be reasonably requested by any Holder or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus;

3.1.3 prior to filing a Registration Statement or the Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriters, if any, and each Holder of Registrable Securities included in such Registration, and such Holder's legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and each Holder of Registrable Securities included in such Registration or the legal counsel for any such Holders may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holders;

3.1.4 prior to any public offering of Registrable Securities, use its reasonable best efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as any Holder of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be 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 cause all such Registrable Securities to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

3.1.6 provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 provide a CUSIP number for all Registrable Securities, not later than the effective date of such Registration Statement;

3.1.8 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 reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.9 at least five (5) days prior to the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus or any document that is to be incorporated by reference into such Registration Statement or Prospectus, furnish a copy thereof to each seller of such Registrable Securities and its counsel, including, without limitation, providing copies promptly upon receipt of any comment letters received with respect to any such Registration Statement or Prospectus;

3.1.10 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;

3.1.11 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 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 any such representative or Underwriter enters 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;

3.1.12 obtain a "comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Registration which the participating Holders may rely on, in customary form and covering such matters of the type customarily covered by "comfort" letters as the managing Underwriter may reasonably request, and reasonably satisfactory to a majority-in- interest of the participating Holders;

3.1.13 on the date the Registrable Securities are delivered for sale pursuant to such Registration, obtain an opinion and negative assurance letter, dated as of such date, of counsel representing the Company for the purposes of such Registration, addressed to the Holders, the placement agent or sales agent, 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 Holders, placement agent, sales agent, or Underwriter(s) may reasonably request and as are customarily included in such opinions and negative assurance letters, and reasonably satisfactory to a majority in interest of the participating Holders;

3.1.14 in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriter of such offering;

3.1.15 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 promulgated thereafter by the Commission), which requirement will be deemed satisfied if the Company timely files Forms 10-Q and 10-K, as may be required to be filed under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

3.1.16 if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of $50,000,000, use its reasonable best 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 any Underwritten Offering; and

3.1.17 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the Holders, in connection with such Registration.

3.2 Registration Expenses. Except as otherwise provided herein, 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 any Holder.

3.3 Requirements for Participation in Underwritten Offerings. No person or entity may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person or entity (i) agrees to sell such person's or entity's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements. Notwithstanding anything in this Agreement to the contrary, if any Holder does not provide to the Company in writing information and affidavits as the Company reasonably requests for use in connection with any Registration Statement or Prospectus, 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 outside legal counsel, that such information is necessary to effect the registration and such Holder continues thereafter to withhold such information. 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. 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. If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure or would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for 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. The Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.4.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be 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. 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 the Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144, including providing any legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

3.6 Lock-Up Restrictions.

3.6.1 During the Lock-Up Period, none of the Existing Holders shall offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or distribute any shares of Common Stock that are subject to the Lock-Up Period or any securities convertible into, exercisable for, exchangeable for or that represent the right to receive shares of Common Stock that are subject to the Lock-Up Period, whether now owned or hereinafter acquired, that are owned directly by such Existing Holder (including securities held as a custodian) or with respect to which such Existing Holder has beneficial ownership within the rules and regulations of the Commission (such securities that are subject to the Lock-Up Period, the "***Restricted Securities***"), other than any transfer to an affiliate of an Existing Holder or to a Permitted Transferee, as applicable. The foregoing restriction is expressly agreed to preclude each Existing Holder, as applicable, from engaging in any hedging or other transaction with respect to Restricted Securities which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Restricted Securities even if such Restricted Securities would be disposed of by someone other than such Existing Holder. Such prohibited hedging or other transactions include any short sale or any purchase, sale or grant of any right (including any put or call option) with respect to any of the Restricted Securities of the applicable Existing Holder, or with respect to any security that includes, relates to, or derives any significant part of its value from such Restricted Securities.

3.6.2 Each Existing Holder hereby represents and warrants that it now has and, except as contemplated by this subsection 3.6.2 for the duration of the Lock-Up Period, will have good and marketable title to its Restricted Securities, free and clear of all liens, encumbrances, and claims that could impact the ability of such Existing Holder to comply with the foregoing restrictions Each Existing Holder agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of any Restricted Securities during the Lock-Up Period.

## 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 out-of-pocket expenses (including reasonable and documented attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and out-of-pocket expenses (including without limitation reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify under this Section 4.1.2 shall be several, not joint and several, among the Holders of Registrable Securities, and the total liability of a Holder under this Section 4.1.2 shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided, that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party), and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). 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), which settlement includes a statement or admission of fault or 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.

4.1.5 If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this subsection 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in subsections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any

investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this subsection 4.1.5 were determined by Pro Rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this subsection 4.1.5. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this subsection 4.1.5 from any person who was not guilty of such fraudulent misrepresentation.

## ARTICLE V
## MISCELLANEOUS

5.1 Notices. 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, facsimile or electronic mail. 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, on the third business day following the date on which it is mailed and, in the case of notices delivered by courier service, hand delivery, facsimile or electronic mail, at such time as it is delivered to the addressee (except in the case of electronic mail, 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: Banzai International, Inc., 435 Ericksen Ave, Suite 250, Bainbridge Island, WA 98110, Attn: Joseph Davy, E-mail: joe@banzai.io, with a copy to: Sidley Austin LLP, 1999 Avenue of the Stars, 17th Floor, Los Angeles, CA 90067, Attn: Joshua G. DuClos, E-mail: jduclos@sidley.com and Sidley Austin LLP, Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Michael P. Heinz, E-mail: mheinz@sidley.com 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 and the Holder of Registrable Securities, as the case may be, hereunder may not be assigned or delegated by the Company or the Holders of Registrable Securities, as the case may be, in whole or in part, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee but only if such Permitted Transferee agrees to become bound by the transfer restrictions set forth in this Agreement.

5.2.2 Prior to the expiration of the Lock-Up Period, no Holder subject to the Lock- Up Period may assign or delegate such Holder's rights, duties or obligations under this Agreement, in whole or in part, in violation of the Lock-Up Period, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee but only if such Permitted Transferee agrees to become bound by the transfer restrictions set forth in 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). 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. Each party agrees that an electronic copy of this Agreement shall be considered and treated like an original, and that an electronic or digital signature shall be as valid as a handwritten signature (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g.,www.docusign.com)).

5.4 Governing Law; Venue. 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 AS APPLIED TO AGREEMENTS AMONG NEW YORK RESIDENTS ENTERED INTO AND TO BE PERFORMED ENTIRELY WITHIN NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS OF SUCH JURISDICTION 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.

5.5 Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority in interest of the 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 either the Existing Holders as a group or the New Holders as a group, as the case may be, in a manner that is materially adversely different from the New Holders or the Existing Holders, respectively, shall require the consent of at least a majority-in-interest of the Registrable Securities held by such Existing Holders or a majority-in-interest of the Registrable Securities held by the New Holders, as applicable, at the time in question so affected; provided, further, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one Holder or group of affiliated Holders, 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 or group of affiliated Holders 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. Any amendment, termination, or waiver effected in accordance with this Section 5.5 shall be binding on each party hereto and all of such party's successors and permitted assigns, regardless of whether or not any such party, successor or assignee entered into or approved such amendment, termination, or waiver.

5.6 Other Registration Rights. The Company represents and warrants that no person, other than (i) a Holder of Registrable Securities and (ii) a holder of securities of the Company that are registrable pursuant to the GEM Agreement, has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other person. Further, the Company represents and warrants that, except with respect to the GEM Agreement, this Agreement supersedes the Existing Registration Rights Agreement and 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. Notwithstanding the foregoing, the Company and the Holders hereby acknowledge that the Company has granted resale registration rights to certain holders of Company securities in the GEM Agreement, and that nothing herein shall restrict the ability of the Company to fulfill its resale registration obligations under the GEM Agreement.

5.7 Opt-Out Requests. Each Holder shall have the right, at any time and from time to time (including after receiving information regarding any potential public offering), to elect to not receive any notice that the Company or any other Holders otherwise are required to deliver pursuant to this Agreement by delivering to the Company a written statement signed by such Holder that it does not want to receive any notices hereunder (an "***Opt-Out Request***"); in which case and notwithstanding anything to the contrary in this Agreement the Company and other Holders shall not be required to, and shall not, deliver any notice or other information required to be provided to Holders hereunder to the extent that the Company or such other Holders reasonably expect would result in a Holder acquiring material non-public information within the meaning of Regulation FD promulgated under the Exchange Act. An Opt-Out Request may state a date on which it expires or, if no such date is specified, shall remain in effect indefinitely . A Holder who previously has given the Company an Opt-Out Request may revoke such request at any time, and there shall be no limit on the ability of a Holder to issue and revoke subsequent Opt-Out Requests; provided that each Holder shall use commercially reasonable efforts to minimize the administrative burden on the Company arising in connection with any such Opt-Out Requests.

5.8 Existing Registration Rights Agreement. The Sponsor and the Existing Holders hereby agree that upon execution of this Agreement by the Sponsor and the Existing Holders, the Existing Registration Rights Agreement shall be automatically terminated and superseded in its entirety by this Agreement.

5.9 Term. This Agreement shall terminate upon the earlier of (i) the seventh (7th) anniversary of the date of this Agreement, and (ii) the date as of which all of the Registrable Securities have been sold or disposed of or, (iii) with respect to any particular holder, (A) such Holder is permitted to sell the Registrable Securities held by him, her or it under Rule 144 (or any similar

provision) under the Securities Act without limitation on the amount of securities sold or the manner of sale and without compliance with the current public reporting requirements set forth under Rule 144(i)(2), or (B) such Holder requests and the Company agrees to 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). The provisions of Section 3.5 and Article IV shall survive any termination.

5.10 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties as to the matters covered herein and supersedes and replaces any prior understanding, agreement or statement of intent, in each case, written or oral, of any and every nature with respect thereto.

**[***Signature Page Follows***]**

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

**COMPANY:**

**BANZAI INTERNATIONAL, INC.,** a Delaware corporation

By: /s/ Jack Leeney
Name: Jack Leeney
Title: Chairman and Chief Executive Officer

**SPONSOR:**

**7GC & CO. HOLDINGS LLC,** a Delaware limited liability company

By: VII Co-Invest Sponsor LLC, as the managing member of 7GC & Co. Holdings LLC

By: SP Global Advisors LLC, as manager of VII Co-Invest Sponsor LLC

By: /s/ Jack Leeney
Name: Jack Leeney
Title: Manager

**OTHER PRE-IPO HOLDERS:**

/s/ Courtney Robinson
Courtney Robinson

/s/ Tripp Jones
Tripp Jones

/s/ Kent Schofield
Kent Schofield

/s/ Patrick Eggen
Patrick Eggen

**NEW HOLDERS:**

/s/ Joseph Davy
Joseph Davy

/s/ Sheila Linteau
Sheila Linteau, as Administrator of the Estate of Roland A. Linteau III, deceased

**DNX PARTNERS III, LP**

By: DNX Venture Partners III, LP, its General Partner

By: DNX III, LLC, its General Partner

/s/ Mitch Kitamura
Name: Mitch Kitamura
Title: Authorized Signatory

**DNX PARTNERS JAPAN III, LP**

By: DNX Venture Partners III, LP, its General Partner

By: DNX III, LLC, its General Partner

/s/ Mitch Kitamura
Name: Mitch Kitamura
Title: Authorized Signatory

**DNX PARTNERS S-III, LP**

By: DNX Venture Partners III, LP, its General Partner

By: DNX III, LLC, its General Partner

/s/ Mitch Kitamura
Name: Mitch Kitamura
Title: Authorized Signatory

**BANZAI INTERNATIONAL, INC.**

**FORM INDEMNIFICATION AGREEMENT**

This Indemnification Agreement (this "***Agreement***") is dated as of _____, and is between Banzai International, Inc., a Delaware corporation (the "***Company***"), and the undersigned individual ("***Indemnitee***").

**WHEREAS,** Indemnitee's service to the Company substantially benefits the Company;

**WHEREAS,** 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;

**WHEREAS,** the Board of Directors of the Company (the "***Board***") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The bylaws and certificate of incorporation of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("***DGCL***"). The bylaws and certificate of incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

**WHEREAS,** 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;

**WHEREAS,** in order to induce Indemnitee to 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; and

**WHEREAS,** 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. However, to the extent that the provisions of this Agreement confer on Indemnitee broader rights to indemnification and advancement of Expenses (as that term is defined below) than are provided for in the Company's certificate of incorporation or bylaws, the provisions of this Agreement shall control.

NOW, THEREFORE, the Company and the parties do hereby agree as follows:

**1. Definitions**.

(a) "***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.

(b) "***DGCL***" means the General Corporation Law of the State of Delaware.

(c) "***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.

(d) "***Change in Control***" means a transaction other than a bona fide equity financing or series of financings in which any "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 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of the Company ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of the Company, who did not have such power before such transaction.

(e) "***Expenses***" include all reasonable 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, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 11(c) of this Agreement, 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. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) "***Independent Counsel***" means a law firm, or a partner (or, if applicable, member) of such a law firm, selected by Indemnitee 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 or Indemnitee in any matter material to either such party (other than with respect to indemnification matters), 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. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above 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.

(g) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, formal or informal government or self-regulatory agency investigation or inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnitee was, is or is threatened to be involved as a party or otherwise by reason of the Indemnitee's Corporate Status, by reason of any action taken, or failure to act, by Indemnitee or of any action taken, or failure to take action, on the Indemnitee's part while acting as director or officer of the Company, or by reason the 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, reimbursement, or any Advance of Expenses can be provided under this Agreement; *provided*, *however*, that the term "Proceeding" shall not include any action, suit or arbitration initiated by Indemnitee to enforce Indemnitee's rights under 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 a 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, penalties, 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. Reference 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.

**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 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 actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. 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**. To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf 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 each successfully resolved claim, issue or matter. For purposes of this Section 4, the term "successful" shall include, but not be limited to, (i) any termination, withdrawal, or dismissal (with or without prejudice) of such Proceeding without any express finding of liability or guilt against Indemnitee, (ii) the expiration of [120] days after the making of such Proceeding without the institution of the same and without any promise or payment made to induce a settlement, or (iii) the settlement of such Proceeding pursuant to which the Indemnitee pays less than $[10,000] irrespective of whether other parties make payments which may be deemed to be on behalf of Indemnitee.

**5. Indemnification for Expenses of a Witness**. To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

**6. 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 (i) any excess beyond the amount paid under any insurance policy or other indemnity provision or (ii) with respect to any insurance policy to the extent paid for the by the Indemnitee, any increase in premiums resulting from the amount paid under such policy [provided that the foregoing shall not affect the rights of the Secondary Indemnitors as set forth in Section 13][1];

[1] To be included if Secondary Indemnitors are named.

(b) for an accounting, disgorgement or return of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, 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 claim, issue or matter initiated or brought by Indemnitee, except (i) with respect to counterclaims or affirmative defenses or to actions or proceedings brought to establish or enforce a right to receive Expenses or indemnification under this Agreement or any other agreement or insurance policy or under the certificate of incorporation or bylaws of the Company now or hereafter in effect relating to indemnification or (ii) if the Board has approved the initiation or bringing of such claim;

(d) 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 Securities Exchange Act of 1934, as amended (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);

(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 11(c) of this Agreement (iv) otherwise required by applicable law;

(f) if prohibited by applicable law; or

(g) for any claim, issue or matter as to which Indemnitee shall have (i) entered a plea of guilty or nolo contendere to a felony or (ii) received a final, unappealable judgment or verdict of guilty or its equivalent in any criminal proceeding.

**7. Advances of Expenses**. The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as soon as reasonably practicable, but in any event no later than [thirty (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. This Section 7 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding referenced in Section 6(b) or 6(d) of this Agreement prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

**8. 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 which 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, 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, 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 counsel to the extent (i) the employment of counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee 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 fees and expenses are non-duplicative and reasonably incurred in connection with Indemnitee's role in the Proceeding despite the Company's assumption of the defense, (iv) the Company is not financially or legally able to perform its indemnification obligations or (v) the Company shall not have retained, or shall not continue to retain, such counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. 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) without the Company's prior written consent, which shall not be unreasonably withheld.

**9. <u>Procedures upon Application for Indemnification; Any Repayment of Advances After Disposition of a Proceeding</u>**.

(a) The Company shall not settle any Proceeding (or any part thereof) without Indemnitee's prior written consent, which shall not be unreasonably withheld.

(b) 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. The Company shall, as soon as reasonably practicable after receipt of such a request for indemnification, advise the board of directors that Indemnitee has requested indemnification. 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.

(c) Promptly following the disposition of a Proceeding, a determination with respect to Indemnitee's entitlement to indemnification and to retain any advances given to Indemnitee shall be made in the specific case by one of the following methods: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (ii) if a Change in Control shall not have occurred, by majority vote of the directors who are neither parties, nor threatened to be made parties, to any Proceeding, even though less than a quorum, or by a committee of such directors designated by majority vote of such directors, even though less than a quorum (in either case, the "***Disinterested Directors***") or, if there are no Disinterested Directors, by Independent Counsel.

(d) If the determination of entitlement to indemnification is to be made by Independent Counsel, Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. The Indemnitee or the Company, as the case may be, may within [ten (10)] days after written notice of such selection, deliver to the Company or the 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 Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, 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, 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 [twenty (20)] days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 9(a) of this Agreement, and the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected and not objected to, either the Company or the Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee or the Company to the selection of Independent Counsel and/or 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. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 11(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

**10. Presumptions and Effect of Certain Proceedings**.

(a) If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within [ten (10)] days after such determination. Indemnitee shall cooperate with the Disinterested Directors or Independent Counsel, as applicable, making such determination with respect to Indemnitee's entitlement to indemnification, including providing to the Disinterested Directors or Independent Counsel, as applicable, upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as applicable, shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In making a determination with respect to entitlement to indemnification hereunder, the Disinterested Directors or Independent Counsel, as applicable, 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. Neither the failure of the Company nor of the Disinterested Directors or Independent Counsel, as applicable, to have made a determination prior to the commencement of any Advance or indemnification action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company or by the Disinterested Directors or Independent Counsel, as applicable, that Indemnitee has not met such applicable standard of conduct, shall be a defense available to the Company to the Advance or indemnification action or create a presumption that Indemnitee has not met the applicable standard of conduct necessary to obtain an Advance or indemnification.

(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 other than to a felony, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which 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 10(c) 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.

**11. Remedies of Indemnitee**.

(a) 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.

(b) Subject to Section 11(f) in the event that (i) a determination is made by the Disinterested Directors (and for the avoidance of doubt, not by Independent Counsel) pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 11(c) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 9 of this Agreement within [ninety (90)] days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding,

(iv) payment of indemnification pursuant to this Agreement is not made (A) within [ten (10)] days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 11(c) of this Agreement, within [thirty (30)] days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity 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, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her 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 [one hundred eighty (180)] days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 11(a); *provided*, *however*, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(c) In the event that a determination shall have been made pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 11 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 11, 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.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement 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 [sixty (60)] days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee.

(e) If a determination shall have been made pursuant to Section 9 of this Agreement 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 11, 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.

(f) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 11 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. The Company shall indemnify Indemnitee against any and all Expenses which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or any advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company only if Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be, in the suit for which indemnification or an Advance is being sought.

(g) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

**12. 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. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

**13. 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. No supplement, modification, alteration, waiver, repeal or amendment of this Agreement or any provision hereof shall limit or restrict 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 supplement, modification, alteration, waiver, repeal or amendment. To the extent that after the date of this Agreement 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.

[The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [•] and certain of its affiliates (collectively, the "Secondary Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the certificate of incorporation or bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors and (iii) that it irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms of this Section 13.][2]

**14. No Duplication of Payments**. 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.

**15. 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.

**16. Subrogation**. 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 [(other than against the Secondary Indemnitors)][3], 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. The Company shall use commercially reasonable best efforts to (a) maintain an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other Enterprise and (b) to provide that until at least the sixth (6th) anniversary of the date of expiration of the Indemnitee's period of service with the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such

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2 To be included if there are Secondary Indemnitors.

3 To be included if there are Secondary Indemnitors.

director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

**17. Duration**. This Agreement shall continue until and terminate upon the later of (a) ten (10) 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 (1) 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 11 of this Agreement relating thereto.

**18. 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. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving in Corporate Status even though Indemnitee may have ceased to serve in such capacity at the time of any Proceeding.

**19. 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.

**20. 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.

**21. 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.

**22. Modification and Waiver**. No supplement, modification, alteration, waiver, repeal or amendment of this Agreement or any provisions of this Agreement shall be binding unless executed in writing by the parties thereto. No supplement, modification, alteration, waiver, repeal or amendment of any of the provisions of this Agreement shall adversely affect, limit or restrict 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 supplement, modification, alteration, waiver, repeal or amendment. 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.

**23. 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

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), (ii) if sent via mail, at the earlier of its receipt or five (5) 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.

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at the address as shown on the signature page of this Agreement, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Michael P. Heinz and Jocelyne E. Kelly at Sidley Austin LLP.

**24. Internal Revenue Code 409A**. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"),which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

**25. Applicable Law and Consent to Jurisdiction**. This Agreement and the legal relations among the parties 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 10(b) of this Agreement, 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 Trust 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.

**26. Counterparts and Electronic Signatures**. This Agreement may be executed 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. This Agreement may also be executed and delivered by facsimile signature, electronic mail (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) 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, 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. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper- based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

**27. 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 day and year first above written.

BANZAI INTERNATIONAL, INC.

By: _____
Name: Joseph P. Davy
Title: Chief Executive Officer

Address:

INDEMNITEE:

_____

Address:

*[Signature page to Indemnification Agreement]*

**Exhibit 16.1**

December 20, 2023

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read Banzai International, Inc. (formerly known as 7GC & Co. Holdings Inc.) statements included under Item 4.01 of its Form 8-K dated December 20, 2023. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on December 14, 2023. 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 99.1**

**BANZAI INTERNATIONAL, INC.**

**Index to the Unaudited Condensed Consolidated Financial Statements**

**BANZAI INTERNATIONAL, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

| | September 30, 2023 (Unaudited) | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash | $ 396,761 | $ 1,023,499 |
| Accounts receivable | 98,277 | 176,276 |
| Less: Allowance for credit losses | (3,879) | (107,860) |
| Accounts receivable, net | 94,398 | 68,416 |
| Deferred contract acquisition costs, current | 21,546 | 69,737 |
| Prepaid expenses and other current assets | 143,311 | 263,770 |
| Total current assets | 656,016 | 1,425,422 |
| Property and equipment, net | 6,207 | 11,803 |
| Goodwill | 2,171,526 | 2,171,526 |
| Operating lease right-of-use assets | 177,553 | 307,258 |
| Deferred offering costs | 2,291,343 | 1,524,934 |
| Other assets | 38,381 | 38,381 |
| Total assets | $ 5,341,026 | $ 5,479,324 |
| **LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT** | | |
| Current liabilities: | | |
| Accounts payable | 2,396,347 | 1,100,249 |
| Simple agreement for future equity, current | 644,146 | 829,139 |
| Simple agreement for future equity, current—related party | 6,709,854 | 8,636,861 |
| Convertible notes | 3,106,816 | 1,490,307 |
| Convertible notes—related party | 6,465,097 | 3,425,027 |
| Convertible notes (CP BF) | 2,586,097 | 2,276,534 |
| Bifurcated embedded derivative liabilities | 1,552,781 | 893,216 |
| Bifurcated embedded derivative liabilities—related party | 3,024,219 | 1,889,084 |
| Notes payable | 7,030,784 | 6,494,051 |
| Notes payable—related party | 1,154,997 | — |
| Earnout liability | 82,114 | 289,099 |
| Deferred revenue | 891,008 | 930,436 |
| Operating lease liabilities, current | 305,450 | 284,963 |
| Accrued expenses and other current liabilities | 617,346 | 745,373 |
| Total current liabilities | 36,567,056 | 29,284,339 |
| Operating lease liabilities, non-current | 2,352 | 234,043 |
| Other long-term liabilities | 75,000 | 75,000 |
| Total liabilities | 36,644,408 | 29,593,382 |
| Commitments and contingencies (Note 12) | | |
| Mezzanine equity: | | |
| Series A preferred stock, $0.0001 par value, 2,624,827 shares authorized, 2,328,823 issued and outstanding at September 30, 2023 and December 31, 2022 | 6,318,491 | 6,318,491 |
| Stockholders' deficit: | | |
| Common stock, $0.0001 par value, 19,544,521 shares authorized, 8,167,894 and 8,157,606 issued and outstanding at September 30, 2023 and December 31, 2022, respectively | 817 | 816 |
| Additional paid-in capital | 2,770,849 | 1,926,697 |
| Accumulated deficit | (40,393,539) | (32,360,062) |
| Total stockholders' deficit | (37,621,873) | (30,432,549) |
| Total liabilities, mezzanine equity, and stockholders' deficit | $ 5,341,026 | $ 5,479,324 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**BANZAI INTERNATIONAL, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

| | For the Nine Months Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| Operating income: | | |
| Revenue | $ 3,478,794 | $ 4,312,431 |
| Cost of revenue | 1,132,671 | 1,448,276 |
| Gross profit | 2,346,123 | 2,864,155 |
| Operating expenses: | | |
| General and administrative expenses | 8,937,265 | 7,226,655 |
| Depreciation and amortization expenses | 5,596 | 7,054 |
| Impairment loss on operating lease | — | 303,327 |
| Total operating expenses | 8,942,861 | 7,537,036 |
| Operating loss | (6,596,738) | (4,672,881) |
| Other expenses (income): | | |
| Other income, net | (70,569) | (36,641) |
| Interest income | (111) | — |
| Interest expense | 1,879,394 | 1,372,689 |
| Interest expense—related party | 1,614,085 | 124,621 |
| Loss on extinguishment of debt | — | 56,653 |
| Loss on modification of simple agreement for future equity—related party | — | 1,644,161 |
| Loss on modification of simple agreement for future equity | — | 157,839 |
| Change in fair value of simple agreement for future equity | (184,993) | 92,409 |
| Change in fair value of simple agreement for future equity—related party | (1,927,007) | 962,591 |
| Change in fair value of bifurcated embedded derivative liabilities | 36,500 | (12,668) |
| Change in fair value of bifurcated embedded derivative liabilities—related party | 72,359 | (43,332) |
| Total other expenses, net | 1,419,658 | 4,318,322 |
| Loss before income taxes | (8,016,396) | (8,991,203) |
| Provision for income taxes | 17,081 | 15,382 |
| Net loss | $ (8,033,477) | $ (9,006,585) |
| Net loss per share | | |
| Basic and diluted | $ (0.98) | $ (1.12) |
| Weighted average common shares outstanding | | |
| Basic and diluted | 8,164,050 | 8,038,527 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**BANZAI INTERNATIONAL, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT**

| | Series A Preferred Stock | | Common Stock | | Additional | Accumulated | Total Stockholders' |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Paid-in-Capital | Deficit | Deficit |
| **Balance December 31, 2021** | 2,328,823 | $6,318,491 | 8,276,972 | $ 828 | $ 1,151,333 | $(16,891,560) | $ (15,739,399) |
| Exercise of stock options | — | — | 6,600 | 1 | 5,015 | — | 5,016 |
| Repurchase of shares in High Attendance sale | — | — | (133,257) | (13) | 13 | — | — |
| Stock-based compensation | — | — | — | — | 630,737 | — | 630,737 |
| Net loss | — | — | — | — | — | (9,006,585) | (9,006,585) |
| **Balance September 30, 2022** | **2,328,823** | **$6,318,491** | **8,150,315** | **$ 816** | **$ 1,787,098** | **$(25,898,145)** | **$ (24,110,231)** |

| | Series A Preferred Stock | | Common Stock | | Additional | Accumulated | Total Stockholders' |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Paid-in-Capital | Deficit | Deficit |
| **Balance December 31, 2022** | 2,328,823 | $6,318,491 | 8,157,606 | $ 816 | $ 1,926,697 | $(32,360,062) | $ (30,432,549) |
| Exercise of stock options | — | — | 10,288 | 1 | 13,361 | — | 13,362 |
| Stock-based compensation | — | — | — | — | 830,791 | — | 830,791 |
| Net loss | — | — | — | — | — | (8,033,477) | (8,033,477) |
| **Balance September 30, 2023** | **2,328,823** | **$6,318,491** | **8,167,894** | **$ 817** | **$ 2,770,849** | **$(40,393,539)** | **$ (37,621,873)** |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**BANZAI INTERNATIONAL, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

| | For the Nine Months Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| Cash flows from operating activities: | | |
| Net loss | $ (8,033,477) | $ (9,006,585) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation expense | 5,596 | 7,054 |
| Provision for credit losses | 3,879 | 217,916 |
| Non-cash interest expense | 914,944 | 297,990 |
| Non-cash interest expense—related party | 345,382 | 69,894 |
| Amortization of debt discount and issuance costs | 646,684 | 34,682 |
| Amortization of debt discount and issuance costs—related party | 1,268,703 | 281,963 |
| Amortization of operating lease right-of-use assets | 129,705 | 111,048 |
| Impairment of operating lease right-of-use assets | — | 303,327 |
| Stock-based compensation expense | 830,791 | 630,737 |
| Loss on extinguishment of debt | — | 56,653 |
| Loss on modification of simple agreement for future equity—related party | — | 1,644,161 |
| Loss on modification of simple agreement for future equity | — | 157,839 |
| Change in fair value of simple agreement for future equity | (184,993) | 92,409 |
| Change in fair value of simple agreement for future equity—related party | (1,927,007) | 962,591 |
| Change in fair value of bifurcated embedded derivative liabilities | 36,500 | (12,668) |
| Change in fair value of bifurcated embedded derivative liabilities—related party | 72,359 | (43,332) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (29,861) | (284,597) |
| Deferred contract acquisition costs, current | 48,191 | 633 |
| Prepaid expenses and other current assets | 120,459 | 385,444 |
| Other assets | — | 56,591 |
| Accounts payable | 1,296,098 | (168,451) |
| Deferred revenue | (39,428) | (118,022) |
| Accrued expenses and other current liabilities | (128,027) | 374,646 |
| Operating lease liabilities | (211,204) | (176,664) |
| Earnout liability | (206,985) | (600,000) |
| Net cash used in operating activities | (5,041,691) | (4,724,741) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | — | (9,430) |
| Net cash used in investing activities | — | (9,430) |
| Cash flows from financing activities: | | |
| Deferred offering costs | (766,409) | (247,777) |
| Proceeds from issuance of promissory notes—related party | 1,150,000 | — |
| Proceeds from issuance of convertible notes, net of issuance costs | 1,485,000 | 1,835,310 |
| Proceeds from issuance of convertible notes, net of issuance costs—related party | 2,533,000 | 4,100,538 |
| Proceeds from issuance of common stock | 13,362 | 5,016 |
| Net cash provided by financing activities | 4,414,953 | 5,693,087 |
| Net (decrease) increase in cash | (626,738) | 958,916 |
| Cash at beginning of period | 1,023,499 | 1,786,550 |
| Cash at end of period | $ 396,761 | $ 2,745,466 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | 313,813 | 387,724 |
| Cash paid for taxes | 8,825 | 6,425 |
| *Non-cash investing and financing activities* | | |
| Bifurcated embedded derivative liabilities at issuance | 623,065 | 1,834,000 |
| Bifurcated embedded derivative liabilities at issuance—related party | 1,062,776 | 151,000 |

The accompanying notes are an integral part of these consolidated financial statements.

## 1. Organization

### *The Business*

Banzai International, Inc. (the "Company" or "Banzai") was incorporated in Delaware on September 30, 2015. Banzai is a leading enterprise SaaS Video Engagement platform used by thousands of marketers to power webinars, trainings, virtual events, and on-demand video content.

On February 19, 2021, the Company completed its business acquisition of 100% of the equity interests of Demio, Inc. ("Demio"), pursuant to the Agreement and Plan of Merger, dated January 29, 2021, whereby Demio became a wholly owned subsidiary of the Company.

### *Termination of Hyros Acquisition and Amended Merger Agreement with 7GC*

In December 2022, the Company entered into an Agreement and Plan of Merger with Hyros, Inc., ("Hyros") (the "Hyros Purchase Agreement") whereby Banzai would acquire 100% of the issued share capital of Hyros for approximately $110 million in a primarily stock transaction. The acquisition was expected to enhance Banzai's role as a full-stack marketing technology platform, expand its total addressable market, to significantly enhance the Banzai platform and accelerate its long-term revenue growth and operational efficiency.

Concurrently, in December 2022, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Original Merger Agreement") with 7GC & Co. Holdings Inc. ("7GC"), a blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities, pending the close of the Hyros Purchase Agreement. On July 31, 2023, Banzai sent a notice of termination to Hyros. On August 1, 2023, Banzai and Hyros terminated the Hyros Purchase Agreement and the Hyros Side Letter (the "Hyros Transaction Termination"), with immediate effect, in connection with the inability to procure the Hyros audited financial statements on the timeline contemplated by the Hyros Purchase Agreement.

On August 4, 2023, the Company entered into an Amendment to the Agreement and Plan of Merger and Reorganization (the "Amended Merger Agreement" and together with the Original Merger Agreement, the "Merger Agreement") with 7GC (the "Merger"). As a result of the Merger Agreement, all outstanding shares of capital stock of Banzai will be canceled and converted into the right to receive newly issued shares of common stock, par value $0.0001 per share, 7GC Common Stock determined based on a pre-money enterprise valuation of Banzai of $100 million and a $10.00 price per share of 7GC Common Stock.

### *GEM Financing Arrangement*

In May 2022, the Company entered into a Share Purchase Agreement with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, "GEM") (the "GEM Agreement") pursuant to which, among other things, upon the terms and subject to the conditions of the GEM Agreement, GEM is to purchase from the Company (or its successor following a Reverse Merger Transaction (as defined in the GEM Agreement)) up to the number of duly authorized, validly issued, fully paid and non-assessable shares of common stock having an aggregate value of $100,000,000 (the "GEM Financing").

Further, in terms of the GEM Agreement, on the Public Listing Date, the Company shall make and execute a warrant (the "GEM Warrant") granting GEM the right to purchase up to the number of Common Shares of the Company, that is equal to 3% of the total equity interests, calculated on a fully diluted basis, and at an exercise price per share equal to the lesser of (i) the public offering price or closing bid price on the Public Listing Date or (ii) the quotient obtained by dividing $650 million by the total number of equity interests. The GEM Warrants have an expiration date that is the third anniversary of the Public Listing Date.

Per the terms of the GEM Agreement, the GEM Agreement shall terminate automatically on the earliest of (i) thirty-six consecutive months from the Public Listing Date; (ii) thirty-six months from the Effective Date (May 27, 2022), and (iii) the date the purchaser shall have purchased the Aggregate Limit. The GEM Agreement may be terminated immediately at any time by mutual written consent of the Parties. The Company shall tender to GEM, as a commitment fee, an amount equal to 2% of the Aggregate Limit ($100 million) upon each Draw Down and may be paid in cash from the proceeds of such Draw Down or in freely tradeable Common Shares of the Company valued at the Daily Closing Price at the time of such Draw Down, at the option of the Company.

***Emerging Growth Company***

Upon closure of the Merger, the Company will become an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. Private companies are those companies that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised, it adopts the new or revised standard at the time private companies adopt the new or revised standard. Therefore, the Company's financial statements may not be comparable to certain public companies.

**2. Going Concern**

As of September 30, 2023, the Company had cash of approximately $0.4 million. For the nine months ended September 30, 2023, the Company used approximately $5.04 million in cash for operating activities. The Company has incurred recurring net losses from operations and negative cash flows from operating activities since inception. As of September 30, 2023, the Company had an accumulated deficit of approximately $40.4 million. These factors raise substantial doubt regarding the Company's ability to continue as a going concern within one year of the date these financial statements were issued.

The continuation of the Company as a going concern is dependent upon the continued financial support from its stockholders and debt holders. Specifically, continuation is contingent on the Company's ability to obtain necessary equity or debt financing to continue operations, and ultimately the Company's ability to generate profit from sales and positive operating cash flows, which is not assured.

The Company's plans include the Merger described in Note 1, as well as obtaining associated debt and equity financing in the future. If the Company is unsuccessful in completing these planned transactions, it may be required to reduce its spending rate to align with expected revenue levels and cash reserves, although there can be no guarantee that it will be successful in doing so. Accordingly, the Company may be required to raise additional cash through debt or equity transactions. It may not be able to secure financing in a timely manner or on favorable terms, if at all. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

These accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

**3. Summary of Significant Accounting Policies**

***Basis of Presentation***

The Company's unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and applicable regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting.

***Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements include the accounts of Banzai and its subsidiary. The Company consolidates all entities over which the Company has the power to govern the financial and operating policies and therefore exercises control, and upon which the Company has a controlling financial interest. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an

entity is exercised. The subsidiary is consolidated from the date at which the Company obtains control and is de-consolidated from the date at which control ceases. All intercompany balances and transactions have been eliminated. The accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Company.

In the opinion of management, all necessary adjustments (consisting of normal recurring adjustments, intercompany adjustments, reclassifications and non-recurring adjustments) have been recorded to present fairly our financial position as of September 30, 2023 and December 31, 2022, and the results of operations and cash flows for the nine months ended September 30, 2023 and 2022.

***Use of Estimates***

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that estimates made as of the date of the financial statements could change in the near term due to one or more future events. Actual results could differ significantly from these estimates. Significant accounting estimates reflected in the Company's consolidated financial statements include estimates of impairment of long-lived assets and goodwill, expected credit losses, recognition and measurement of the valuation allowance of deferred tax assets resulting from net operating losses, recognition and measurement of convertible and Simple Agreement for Future Equity (SAFE) notes, including the associated embedded derivatives, recognition and measurement of stock compensation, and the valuation of intangible assets acquired in business combinations.

***Certain Risks and Uncertainties***

The Company's business and operations are sensitive to general business and economic conditions. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets and the general condition of the world economy. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse developments in these general business and economic conditions could have a material adverse effect on the Company's financial condition and the results of its operations. In addition, the Company will compete with many companies that currently have extensive and well-funded products, marketing and sales operations. The Company may be unable to compete successfully against these companies. The Company's industry is characterized by rapid changes in technology and market demands. As a result, the Company's products, services, or expertise may become obsolete or unmarketable. The Company's future success will depend on its ability to adapt to technological advances, anticipate customer and market demands, and enhance its current technology. The Company is also subject to risks which include, but are not limited to, dependence on key personnel, reliance on third parties, successful integration of business acquisitions, protection of proprietary technology, and compliance with regulatory requirements.

***Cash***

The Company considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents. As of September 30, 2023 and December 31, 2022, the Company does not have any cash equivalents.

The Company has no significant off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other hedging arrangements. The Company holds cash in banks in excess of federally insured limits. However, the Company believes risk of loss is minimal as the cash is held by large highly rated financial institutions. To reduce its risk associated with the failure of such financial institutions, the Company evaluates at least annually the rating of the financial institutions in which it holds cash. Any material loss that the Company may experience in the future could have an adverse effect on its ability to pay its operational expenses or make other payments and may require the Company to move its cash to other high quality financial institutions. Currently, the Company is reviewing its bank relationships in order to mitigate its risk to ensure that its exposure is limited or reduced to the FDIC protection limits.

***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable consist of balances due from customers as well as from payment service providers. Payment terms range from due upon receipt, to net 30 days. Accounts receivable are stated net of an allowance for credit losses.

The allowance for expected credit losses is based on the probability of future collection under the current expected credited loss ("CECL") impairment model under which was adopted by the Company on January 1, 2023, as discussed below within Recent Accounting Pronouncements. Under the CECL impairment model, the Company determines its allowance by applying a loss-rate method based on an aging schedule using the Company's historical loss rate. The adequacy of the allowance is evaluated on a regular basis. Account balances are written off after all means of collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to credit losses in the period incurred.

As of September 30, 2023 and December 31, 2022, the Company determined expected credit losses of $3,879 and $107,860 was required, respectively. Further, for the nine months ended September 30, 2023 and 2022, the Company recognized bad debt expenses for accounts receivable balances of $37,099 and $44,514, respectively.

The following table presents changes in the allowance for credit losses for the nine months ended September 30, 2023:

| | |
|---|---|
| Balance—January 1, 2023 | $ 107,860 |
| Change in provision for credit losses | (103,981) |
| Balance—September 30, 2023 | $ 3,879 |

***Property and Equipment***

Property and equipment are recorded at cost and presented net of accumulated depreciation. Major additions and betterments are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed. Property and equipment are depreciated on the straight-line basis over their estimated useful lives (3 years for computer equipment).

***Goodwill***

Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. Goodwill is reviewed for impairment at least annually, in December, or more frequently if a triggering event occurs between impairment testing dates. As of September 30, 2023, the Company had one operating segment, which was deemed to be its reporting unit, for the purpose of evaluating goodwill impairment.

The Company's impairment assessment begins with a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Qualitative factors may include, macroeconomic conditions, industry and market considerations, cost factors, and other relevant entity and Company specific events. If, based on the qualitative test, the Company determines that it is "more likely than not" that the fair value of a reporting unit is less than its carrying value, then we evaluate goodwill for impairment by comparing the fair value of our reporting unit to its respective carrying value, including its goodwill. If it is determined that it is not likely that the fair value of the reporting unit is less than its carrying value, then no further testing is required.

The selection and assessment of qualitative factors used to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value involves significant judgment and estimates. Fair values may be determined using a combination of both income and market-based approaches. There were no impairments of goodwill recorded for the nine months ended September 30, 2023 and 2022.

***Deferred Offering Costs***

In 2022 and 2023, the Company capitalized fees related to the Merger Agreement (see Note 1) as an asset. These fees will be recognized as a reduction of equity, on consummation of the Merger.

Capitalized deferred offering costs consisted of the following, as of September 30, 2023 and December 31, 2022:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| SPAC-related legal fees | $ 2,031,323 | $ 1,264,914 |
| Investment bank advisory services | 135,000 | 135,000 |
| Federal Trade Commission filing fees | 125,020 | 125,020 |
| Total deferred offering costs capitalized | $ 2,291,343 | $ 1,524,934 |

***Simple Agreements for Future Equity—SAFE***

The Company accounts for Simple Agreements for Future Equity ("SAFE") at fair value in accordance with ASC 480 *Distinguishing Liabilities from Equity*. The SAFEs are subject to revaluation at the end of each reporting period, with changes in fair value recognized in the accompanying Consolidated Statement of Operations.

***Concentration of Business and Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company's cash is deposited in accounts at large financial institutions, and amounts may exceed FDIC federally insured limits. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash is held. The Company has no financial instruments with off-balance sheet risk of loss.

At September 30, 2023, no customers accounted for 10% or more of accounts receivable. At December 31, 2022, three customers accounted for 10% or more of accounts receivable with concentrations of 21%, 16%, and 10% and totaling approximately 47% of the total accounts receivable balance as of December 31, 2022. Total revenues from these customers amounted to $259,635 for the twelve months ended December 31, 2022.

At September 30, 2023 and December 31, 2022, one supplier accounted for 10% or more of accounts payable.

***Loss Per Share***

Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the year. Diluted net loss per share excludes, when applicable, the potential impact of stock options and convertible preferred stock because their effect would be anti-dilutive due to the net loss. Since the Company had a net loss in each of the periods presented, basic and diluted net loss per common share are the same.

The calculation of basic and diluted net loss per share attributable to common stock was as follows:

| | As of September 30, | |
|---|---|---|
| | 2023 | 2022 |
| **Numerator:** | | |
| Net loss attributable to common stock—basic and diluted | $(8,033,477) | $(9,006,585) |
| **Denominator:** | | |
| Weighted average shares—basic and diluted | 8,164,050 | 8,038,527 |
| Net loss per share attributable to common stock—basic and diluted | $ (0.98) | $ (1.12) |

Securities that were excluded from loss per share as their effect would be anti-dilutive due to the net loss position that could potentially be dilutive in future periods are as follows:

| | As of September 30, | |
|---|---|---|
| | 2023 | 2022 |
| Options | 1,110,209 | 860,174 |
| Convertible preferred stock | 2,328,823 | 2,328,823 |
| **Total** | 3,439,032 | 3,188,997 |

***Leases***

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use ("ROU") assets and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities, non-current on the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

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

The Company has lease agreements which contain both lease and non-lease components, which it has elected to account for as a single lease component when the payments are fixed. As such, variable lease payments, including those not dependent on an index or rate, such as real estate taxes, common area maintenance, and other costs that are subject to fluctuation from period to period are not included in lease measurement.

The Company evaluates long-lived assets for recoverability if there are indicators of potential impairment. Indicators of potential impairment may include subleasing a location for less than the head lease cost. If there are indicators of potential impairment, the Company will test the assets for recoverability. If the undiscounted cash flows estimated to be generated are less than the carrying value of the underlying assets, the assets are deemed impaired. If it is determined that assets are impaired, an impairment loss is calculated based on the amount that the asset's book value exceeds its fair value.

***Revenue Recognition***

Revenue is generated through Banzai providing marketing and webinar platform subscription software service for a set period of time. The Statement of Work ("SOW") or Invoice, and the accompanying documents (if applicable) are negotiated and signed by both parties. When execution or completion of the contract occurs, the contract is valid and revenue is earned when the service is provided for each period of performance, daily. The amount is paid by the customer based on the contract terms monthly, quarterly, or annually.

The Company recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for the transfer of promised services to its customers. To determine revenue recognition for contracts with customers, the Company performs the following steps described in ASC 606: (1) identifies the contract with the customer, or Step 1, (2) identifies the performance obligations in the contract, or Step 2, (3) determines the transaction price, or Step 3, (4) allocates the transaction price to the performance obligations in the contract, or Step 4, and (5) recognizes revenue when (or as) the entity satisfies a performance obligation, or Step 5.

Revenue from contracts with customers are not recorded until the Company has the approval and commitment from the parties, the rights of the parties are identified, payment terms are established, the contract has commercial substance and collectability of the consideration is probable. The Company also evaluates the following indicators, amongst others, when determining whether it is acting as a principal in the transaction (and therefore whether to record revenue on a gross basis): (i) whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service, (ii) whether the Company has the inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer and (iii) whether the Company has the discretion to establish the price for the specified good or service. If the terms of a transaction do not indicate that the Company is acting as a principal in the transaction, then the Company is acting as an agent in the transaction and therefore, the associated revenue is recognized on a net basis (that is revenue net of costs).

Revenue is recognized once control passes to the customer. The following indicators are evaluated in determining when control has passed to the customer: (i) whether the Company has a right to payment for the product or service, (ii) whether the customer has legal title to the product or service, (iii) whether the Company has transferred physical possession of the product or service to the customer, (iv) whether the customer has the significant risk and rewards of ownership of the product or service and (v) whether the customer has accepted the product or service. When an arrangement contains more than one performance obligation, the Company will allocate the transaction price to each performance obligation on a relative standalone selling price basis. The Company utilizes the observable price of goods and services when they are sold separately to similar customers in order to estimate standalone selling price.

***Costs of revenue***

Costs of revenue consist primarily of infrastructure, streaming service, data license and contracted services costs, as well as merchant fees and payroll costs.

***Advertising costs***

Advertising costs are expensed as incurred. Advertising costs were $535,709 and $635,867 for the nine months ended September 30, 2023 and 2022, respectively, which are included in general and administrative expenses on the condensed consolidated statements of operations.

***Stock-Based Compensation***

The Company expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards in accordance with ASC 718, *Stock Compensation*. The Company accounts for forfeitures as they occur. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

***Income Taxes***

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense.

***Derivative Financial Instruments***

The Company evaluates all its financial instruments to determine if such instruments contain features that qualify as embedded derivatives. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the statement of operations each period. Bifurcated embedded derivatives are classified with the related host contract in the Company's balance sheet. Refer to Notes 5 and 10 for further detail.

***Fair Value of Financial Instruments***

In accordance with FASB ASC 820 *Fair Value Measurements and Disclosures*, the Company uses a three-level hierarchy for fair value measurements of certain assets and liabilities for financial reporting purposes that distinguishes between market participant assumptions developed from market data obtained from outside sources (observable inputs) and the Company's own assumptions about market participant assumptions developed from the best information available to us in the circumstances (unobservable inputs). The fair value hierarchy is divided into three levels based on the source of inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management during the nine months ended September 30, 2023 and 2022. The carrying amount of cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses, deferred revenue, convertible notes, notes payable and other current liabilities approximated their fair values as of September 30, 2023 and December 31, 2022. The Company carries convertible notes bifurcated embedded derivatives and Simple Agreements for Future Equity ("SAFE") investments at their fair value (see Note 5 for fair value information).

***Business Combinations***

The Company accounts for business combinations in accordance with FASB ASC 805 ("ASC 805"), *Business Combinations*. Accordingly, identifiable tangible and intangible assets acquired and liabilities assumed are recorded at their estimated fair values, the excess of the purchase consideration over the fair values of net assets acquired is recorded as goodwill, and transaction costs are expensed as incurred.

***Recent Accounting Pronouncements***

*Accounting pronouncements recently adopted*

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments: Credit Losses (Topic 326) ("ASU 2016-13"), which requires measurement and recognition of expected losses for financial assets held. The new standard changes the impairment model for most financial instruments, including trade receivables, from an incurred loss method to a new forward looking approach, based on expected losses. The estimate of expected credit losses will require organizations to incorporate considerations of historical information, current conditions, and reasonable and supportable forecasts. The standards update is effective prospectively for annual and interim periods beginning after December 15, 2022 for private and smaller reporting companies. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of this standard did not have a material impact on these condensed consolidated financial statements.

**4. Revenue**

Under ASC 606, revenue is recognized throughout the life of the executed agreement. The Company measures revenue based on considerations specified in terms and conditions agreed to by a customer. Furthermore, the Company recognizes revenue when a performance obligation is satisfied by transferring control of the service to the customer, which occurs over time.

The Company's services include providing end-to-end video engagement solutions that provide a fast, intuitive and powerful platform of marketing tools that create more intent-driven videos, webinars, virtual events and other digital and in-person marketing campaigns.

As noted within the SOW's and invoices, agreements range from monthly to annual and Banzai generally provides for net 30-day payment terms with the payment made directly through check or electronic means.

Banzai's Management believes its exposure to Credit Risk is sufficiently mitigated by collection through credit card sales or direct payment from established clients.

The Company follows the provisions of ASC 606, under which the Company recognizes revenue when the customer obtains control of promised goods or services, in an amount that reflects the consideration which is expected to be received in exchange for those goods or services. The Company recognize revenues following the five-step model prescribed under ASC 606: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenues when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

***Nature of Goods and Services***

The following is a description of the Company's goods and services from which the Company generates revenue, as well as the nature, timing of satisfaction of performance obligations, and significant payment terms for each, as applicable:

*Demio*

The Demio product is a full-stack technology that marketers can leverage live and automated for video marketing content such as webinars and virtual events. Software products are provided to Demio customers for a range of attendees and hosts within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of webinars and hosts as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Demio services over time which corresponds with the period of time that access to the service is provided.

*Reach*

The Reach product provides a multi-channel targeted audience acquisition (via Reach) to bolster engagement and Return on Investment (ROI). Banzai enables marketing teams to create winning webinars and virtual and in-person events that increase marketing efficiency and drive additional revenue. Software products are provided to Reach customers for a range of simultaneous events and registrations within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of simultaneous published events as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Reach services over time which corresponds with the timing the service is rendered.

***Disaggregation of Revenue***

The following table summarizes revenue by region based on the billing address of customers:

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | Amount | Percentage of Revenue | Amount | Percentage of Revenue |
| Americas | $2,041,393 | 59% | $2,679,437 | 62% |
| Europe, Middle East and Africa (EMEA) | 1,157,712 | 33% | 1,300,286 | 30% |
| Asia Pacific | 279,689 | 8% | 332,708 | 8% |
| Total | $3,478,794 | 100% | $4,312,431 | 100% |

**Contract Balances**

***Accounts Receivable, Net***

A receivable is recorded when an unconditional right to invoice and receive payment exists, such that only the passage of time is required before payment of consideration is due. The Company receives payments from customers based upon agreed-upon contractual terms, typically within 30 days of invoicing the customer. The timing of revenue recognition may differ from the timing of invoicing to customers.

| | Opening Balance 1/1/2023 | Closing Balance 9/30/2023 | Opening Balance 1/1/2022 | Closing Balance 9/30/2022 |
|---|---|---|---|---|
| Accounts receivable, net | $ 68,416 | $ 94,398 | $ 74,727 | $ 141,408 |

***Costs to Obtain a Contract***

Sales commissions, the principal costs incurred to obtain a contract are earned when the contract is executed. Management has capitalized these costs and amortized the commission expense over time in accordance with the related contract's term. For the nine months ended September 30, 2023 and 2022, commission expenses were $283,210 and $311,149, respectively. Capitalized commissions at September 30, 2023 and December 31, 2022 were $21,546 and $69,737 respectively.

The following summarizes the costs to obtain a contract activity during the nine months ended September 30, 2023:

| | |
|---|---|
| Balance—December 31, 2022 | $ 69,737 |
| Commissions incurred | 200,550 |
| Deferred commissions recognized | (248,741) |
| Balance—September 30, 2023 | $ 21,546 |

**5. Fair Value Measurements**

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the nine months ended September 30, 2023 and 2022. The carrying amount of accounts payable approximated fair value as they are short term in nature.

***Fair Value on a Non-recurring Basis***

The fair value of non-financial assets measured at fair value on a non-recurring basis, classified as Level 3 in the fair value hierarchy, is determined based on using market-based approaches, or estimates of discounted expected future cash flows.

***Fair Value on a Recurring Basis***

The Company follows the guidance in ASC 820 *Fair Value Measurements and Disclosures* for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the convertible notes bifurcated embedded derivative liabilities and SAFE represent Level 3 measurements.

The following table presents information about the Company's financial instruments that are measured at fair value on a recurring basis at September 30, 2023 and December 31, 2022, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

| Description | Level | September 30, 2023 | December 31, 2022 |
|---|---|---|---|
| Liabilities: | | | |
| Bifurcated embedded derivative liabilities | 3 | $ 1,552,781 | $ 893,216 |
| Bifurcated embedded derivative liabilities—related party | 3 | $ 3,024,219 | $ 1,889,084 |
| SAFE | 3 | $ 644,146 | $ 829,139 |
| SAFE—related party | 3 | $ 6,709,854 | $ 8,636,861 |

***Bifurcated Embedded Derivative Liability***

The fair value of the embedded put option was determined using a Black Scholes option pricing model. Estimating fair values of embedded conversion features requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Because the embedded conversion features are initially and subsequently carried at fair values, the Company's consolidated statements of operations will reflect the volatility in these estimate and assumption changes. Refer to Note 10 for further details.

The following tables set forth a summary of the changes in the fair value of the bifurcated embedded derivative liability, related to the Related Party and Third Party Convertible Debt, respectively, which are Level 3 financial liabilities that are measured at fair value on a recurring basis:

| | Fair Value | |
|---|---|---|
| | *Related Party* | *Third Party* |
| Balance at December 31, 2021 | $ — | $ 4,000 |
| Issuance of convertible notes with bifurcated embedded derivatives | 1,365,300 | 619,700 |
| Issuance of CP BF convertible notes with bifurcated embedded derivative | 1,375 | 625 |
| Extinguishment of Old Alco Note derivative | (70,000) | — |
| Change in fair value | 592,409 | 268,891 |
| Balance at December 31, 2022 | 1,889,084 | 893,216 |
| Issuance of convertible notes with bifurcated embedded derivative | 1,062,776 | 623,065 |
| Change in fair value | 72,359 | 36,500 |
| Balance at September 30, 2023 | $3,024,219 | $1,552,781 |

***Simple Agreements for Future Equity (SAFE)***

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements (the "SAFEs"). In the event of an Equity Financing (as defined in the SAFEs agreements), the SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The number of shares required to be issued to settle the SAFEs at the equity financing is variable, because that number will be determined by the discounted fair value of the Company's equity shares on the date of settlement (i.e., Discount Price). Regardless of the fair value of the shares on the date of settlement, the holder will receive a fixed monetary value based on the Purchase Amount of the SAFE. If there is a Liquidity Event or SPAC Transaction before the settlement or termination of the SAFEs, the SAFEs will automatically be entitled to receive a portion of Proceeds, due and payable immediately prior to, or concurrent with, the consummation of such Liquidity Event or SPAC Transaction, equal to the greater of (i) two times (2x) the Purchase Amount (the "Cash-Out Amount") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (as defined in the SAFEs agreements). Refer to Note 11 for additional information related to the Company's SAFEs.

The fair value of the SAFEs was determined using a scenario-based method for the pre-modification SAFE's and a Monte Carlo simulation method for the post-modification SAFEs. The value of the SAFE liability as of September 30, 2023 and December 31, 2022 is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the SAFEs on the date of issuance was determined to be $3,836,000. Refer to Note 11 for further details.

The following tables set forth a summary of the activity of the Related Party and Third Party SAFE liabilities, respectively (See Note 11 for further detail), which represents a recurring fair value measurement at the end of each reporting period:

| | Fair Value | |
|---|---|---|
| | *Related Party* | *Third Party* |
| Balance at December 31, 2021 | $ 3,062,956 | $ 294,044 |
| Change in fair value | 4,001,825 | 384,175 |
| Loss on modification | 1,572,080 | 150,920 |
| Balance at December 31, 2022 | 8,636,861 | 829,139 |
| Change in fair value | (1,927,007) | (184,993) |
| Balance at September 30, 2023 | $ 6,709,854 | $ 644,146 |

**6. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following at the dates indicated:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Prepaid expenses and other current assets: | | |
| Prepaid data license and subscription costs | 6,250 | 3,124 |
| Prepaid consulting costs | 16,539 | 40,000 |
| Prepaid advertising and marketing costs | — | 32,178 |
| Prepaid merchant fees | 26,600 | 26,401 |
| Prepaid insurance costs | 25,173 | 15,430 |
| Prepaid software costs | 24,620 | 10,255 |
| Other current assets | 44,129 | 136,382 |
| Total prepaid expenses and other current assets | $ 143,311 | $ 263,770 |

**7. Goodwill**

The following summarizes our goodwill activity in 2023:

| | Total |
|---|---|
| Goodwill—December 31, 2022 | $2,171,526 |
| Goodwill—September 30, 2023 | $2,171,526 |

As the Company has one operating segment which was deemed to be its only reporting unit, goodwill is allocated to that one reporting unit and the carrying value is determined based on the equity of the entire company for purposes of evaluating goodwill impairment. As of December 31, 2022, the date of the last goodwill impairment analysis, the reporting unit had a negative carrying value of $19,252,093.

As of December 31, 2022, the estimated enterprise fair value for the one identified reporting unit was approximately $99.4 million. No impairment of goodwill was identified as of December 31, 2022.

**8. Accrued and Other Current Liabilities**

Accrued and other current liabilities consisted of the following at the dates indicated:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Accrued and other current liabilities: | | |
| Sales tax payable | 306,910 | 230,617 |
| Deposits | 54,102 | — |
| Accrued streaming service costs | 33,286 | — |
| Accrued legal costs | 27,456 | 31,355 |
| Accrued subscription costs | 24,180 | 28,774 |
| Accrued accounting and professional services costs | 49,000 | 94,573 |
| Accrued payroll and benefit costs | 55,703 | 95,947 |
| Accrued offering costs | — | 261,090 |
| Other current liabilities | 66,709 | 3,017 |
| Total accrued and other current liabilities | $ 617,346 | $ 745,373 |

**9. Deferred Revenue**

Deferred revenue represents amounts that have been collected in advance of revenue recognition and is recognized as revenue when transfer of control to customers has occurred or services have been provided. The deferred revenue balance does not represent the total contract value of annual or multi-year, non-cancelable revenue agreements. Differences between the revenue recognized per the below schedule, and the revenue recognized per the condensed consolidated statement of operations, reflect amounts not recognized through the deferred revenue process, and which have been determined to be insignificant. For the nine months ended September 30, 2022, the Company recognized $919,764 in revenue that was included in the prior year deferred revenue balance.

The change in deferred revenue was as follows for the periods indicated:

| | Nine Months Ended September 30, 2023 | Year Ended December 31, 2022 |
|---|---|---|
| Deferred revenue, beginning of period | $ 930,436 | $ 1,060,040 |
| Billings | 3,401,102 | 5,040,665 |
| Revenue recognized (prior year deferred revenue) | (915,931) | (1,004,697) |
| Revenue recognized (current year deferred revenue) | (2,524,599) | (4,165,572) |
| Deferred revenue, end of period | $ 891,008 | $ 930,436 |

**10. Debt**

***Convertible Notes***

*Convertible Notes—Related Party*

On March 21, 2022, the Company issued a subordinated convertible promissory note (“Old Alco Note”) for a principal sum of $2,000,000 to Alco Investment Company (“Alco”), a related party. Alco held approximately 5% of the issued equity of the Company, through its ownership of Series A preferred stock, for all periods presented. The Old Alco Note bore interest at a rate of 15% per annum until exchanged. The outstanding principal and accrued interest were due and payable on the December 31, 2023 (“Original Maturity Date”), provided that, Alco could elect to extend the Original Maturity Date up to two times by additional 12-month increments by delivering written notice to the Company prior to the Original Maturity Date of such election. The outstanding principal and interest under the Old Alco Note was, at the Holder’s election, either (i) effective upon the closing of an Equity Financing (as defined in the agreement), to be converted into shares of the same series of preferred stock of the Company issued to other investors in the Equity Financing (the “Equity Financing Securities”) at a conversion price equal to 85% of the price per share of Equity Financing Securities paid by the other investors in the Equity Financing, with any resulting fraction of a share rounded to the nearest whole share (with 0.5 being rounded up) (the “Conversion Option”) or (ii) immediately prior to the closing of an Equity Financing, become due and payable in cash.

The embedded redemption put feature upon an Equity Financing is not clearly and closely related to the debt host instrument, was separated from the debt host and initially measured at fair value. Subsequent changes in fair value of the feature are recognized in the Consolidated Statement of Operations. The fair value (see Note 5) of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

Discounts to the principal amounts were included in the carrying value of the Old Alco Note and amortized to interest expense over the remaining term of the underlying debt. During 2022, the Company recorded a $151,000 debt discount upon issuance of the Old Alco Note. For the nine months ended September 30, 2022, interest expense on the Old Alco Note totaled $124,621, comprised of $100,274 of contractual interest and $24,347 for the amortization of the discount. The effective interest rate was 20% prior to the exchange of the Old Alco Note as noted below.

On July 19, 2022, the Company and Alco entered into an exchange agreement whereby Alco and the company agreed to the cancellation of the Old Alco Note in exchange for the issuance of a new subordinated convertible promissory note in the principal amount of $2,101,744 (representing the principal amount plus accrued interest under the Old Alco Note) (the "New Alco Note"). In accordance with ASC 470 *Debt*, the Company treated the Old Alco Note as extinguished and recognized a loss on debt extinguishment of $56,653, determined by the sum of the fair value of the New Alco Note in excess of the carrying value of the Old Alco Note less the bifurcated embedded derivative liability at the time of the modification.

Between July and September 2022, the Company issued additional subordinated convertible notes (together with the New Alco Note, the "2022 Related Party Convertible Notes") for an aggregate amount of $4,100,538 to related parties Alco and DNX. Between March and September 2023, the Company issued additional subordinate convertible notes (together with the 2022 Related Party Convertible Notes, the "Related Party Convertible Notes") for an aggregate amount of $2,533,000 to related parties Alco, DNX and William Bryant. DNX held in excess of 5% of the issued equity of the Company, through its ownership of Series A preferred stock, for all periods presented. William Bryant will become a member of the Board of Directors upon completion of the Merger. The Related Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement) at a conversion price equal to the lesser of (i) 80% of the per share price paid by the cash purchasers of such Qualified Financing Securities (as defined in the agreement) in the Qualified Financing, or (ii) the conversion price obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in the agreement). If not sooner converted or prepaid, the Convertible Notes are payable no later than the earlier of (a) the written demand by the holders of a majority-in-interest of the Notes then outstanding on or after September 1, 2023, (b) consummation of a Liquidity Event (as defined in the agreement), or (c) the written demand by the Majority Holders (as defined in the agreement) after an Event of Default (as defined in the agreement) has occurred. In the event of a Liquidity Event (as defined below) while this Note is outstanding, immediately prior to the closing of such Liquidity Event and in full satisfaction of this Note, an amount equal to the greater of (a) the Outstanding Amount, or (b) two times (2x) the principal amount of this Note then outstanding shall become immediately due and payable in cash.

In March 2023, the 2022 Related Party Convertible Notes were amended to extend the maturity to December 31, 2023. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

The embedded redemption put feature upon an Equity Financing and the optional redemption upon a Liquidity Event at a substantial premium are not clearly and closely related to the debt host instrument, were separated and bundled together, assigned probabilities of being affected and initially measured at fair value. Subsequent changes in fair value of the feature will be recognized in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (see Note 5).

Discounts to the principal amounts are included in the carrying value of the Related Party Convertible Notes and amortized to interest expense over the contractual term of the underlying debt. During 2022, the Company recorded a $1,279,840 debt discount upon issuance of the above described Related Party Convertible Notes, which is comprised of $1,262,026 related to the bifurcated derivative and $17,814 of debt issuance costs. During the nine months ended September 30, 2023, the Company recorded a $1,107,016 debt discount upon issuance of additional Related Party Convertible Notes. For the nine months ended September 30, 2023, interest expense on the Related Party Convertible Notes totaled $1,614,085, comprised of $345,382 of contractual interest and $1,268,703 for the amortization of the discount. The effective interest rate for each of the Related Party Convertible Notes ranged from 28% to 110% as of September 30, 2023.

*Convertible Notes—Third Party*

Between July and September 2022, the Company issued additional subordinated convertible notes (the "2022 Third Party Convertible Notes") for an aggregate amount of $1,861,206 to third-party creditors. Between March and September 2023, the Company issued additional subordinate convertible notes (together with the 2022 Third Party Convertible Notes, the "Third Party Convertible Notes") for an aggregate amount of $1,485,000 to third-party creditors. The Third Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement) at a conversion price equal to the lesser of (i) 80% of the per share price paid by the cash purchasers of such Qualified Financing Securities (as defined in the agreement) in the Qualified Financing, or (ii) the conversion price obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in the agreement). If not sooner converted or prepaid, the Convertible Notes are payable no later than the earlier of (a) the written demand by the holders of a majority-in-interest of the Notes then outstanding on or after September 1, 2023, (b) consummation of a Liquidity Event (as defined in the agreement), or (c) the written demand by the Majority Holders (as defined in the agreement) after an Event of Default (as defined in the agreement) has occurred. In the event of a Liquidity Event (as defined below) while this Note is outstanding, immediately prior to the closing of such Liquidity Event and in full satisfaction of this Note, an amount equal to the greater of (a) the Outstanding Amount, or (b) two times (2x) the principal amount of this Note then outstanding shall become immediately due and payable in cash.

In March 2023, the 2022 Third Party Convertible Notes were amended to extend the maturity to December 31, 2023. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

The embedded redemption put feature upon an Equity Financing and the optional redemption upon a Liquidity Event at a substantial premium are not clearly and closely related to the debt host instrument, were separated and bundled together, assigned probabilities of being affected and initially measured at fair value. Subsequent changes in fair value of the feature will be recognized in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (see Note 5).

Discounts to the principal amounts are included in the carrying value of the Third Party Convertible Notes and amortized to interest expense over the contractual term of the underlying debt. During 2022, the Company recorded a $580,056 debt discount upon issuance of the Third Party Convertible Notes, which is comprised of $571,974 related to the bifurcated derivative and $8,082 of debt issuance costs. During the nine months ended September 30, 2023, the Company recorded a $578,825 debt discount upon issuance of additional Related Party Convertible Notes. For the nine months ended September 30, 2023, interest expense on the Related Party Convertible Notes totaled $711,050, comprised of $142,717 of contractual interest and $568,333 for the amortization of the discount. The effective interest rate for each of the Related Party Convertible Notes ranged from 28% to 110% as of September 30, 2023.

The following table presents the Related Party and Third Party Convertible Notes, respectively, as of September 30, 2023:

| | *Related Party* | *Third Party* |
|---|---|---|
| Face value of the convertible notes | $6,633,538 | $3,346,206 |
| Debt discount, net | (666,402) | (430,808) |
| Carrying value of the convertible notes | 5,967,136 | 2,915,398 |
| Accrued interest | 497,961 | 191,418 |
| Total convertible notes and accrued interest | $6,465,097 | $3,106,816 |

The following table presents the Related Party and Third Party Convertible Notes, respectively, as of December 31, 2022:

| | *Related Party* | *Third Party* |
|---|---|---|
| Face value of the convertible notes | $4,100,538 | $1,861,206 |
| Debt discount, net | (828,089) | (419,601) |
| Carrying value of the convertible notes | 3,272,449 | 1,441,605 |
| Accrued interest | 152,578 | 48,702 |
| Total convertible notes and accrued interest | $3,425,027 | $1,490,307 |

***Promissory Notes***

On August 30, 2023, the Company issued a subordinate promissory note ("Alco August Promissory Note") in the aggregate principal amount of $150,000 to Alco Investment Company, a related party. Alco held approximately 5% of the issued equity of the Company, through its ownership of Series A preferred stock, for all periods presented. The Alco August Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on October 31, 2023. As of September 30, 2023, $150,000 of principal and $1,052 of accrued interest is outstanding under the Alco August Promissory Note recorded in note payable—related party on the condensed balance sheets.

On September 13, 2023, the Company issued a subordinate promissory note ("Alco September Promissory Note") in the aggregate principal amount of up to $1,500,000 to Alco Investment Company, a related party. The Alco September Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on January 10, 2024. As of September 30, 2023, $1,000,000 of principal and $3,945 of accrued interest is outstanding under the Alco September Promissory Note recorded in note payable—related party on the condensed consolidated balance sheets.

***Term and Convertible Notes (CP BF)***

On February 19, 2021, the Company entered into a loan agreement with CP BF Lending, LLC ("CP BF") for $8,000,000 (the "Loan Agreement"). The Loan Agreement was comprised of a Term Note for $6,500,000 and a Convertible Note for $1,500,000, with the option upon the request of the Company for Additional Loan ("Additional Loan") principal amount of up to $7,000,000, evidenced by additional notes with 81.25% of the principal amount of such Additional Loan being evidenced by a Term Note, and 18.75% of the principal amount of such an Additional Loan being evidenced by a Convertible Note. The Term Note bears cash interest at a rate of 14% per annum paid monthly and accrued interest payable-in-kind ("PIK") cumulatively at 1.5% per annum. The outstanding principal balance of the Term Note together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on February 19, 2025 ("Loan Maturity Date"). The Convertible Note accrues PIK interest cumulatively at a rate of 15.5% per annum, and is convertible into Class A Common Stock upon Qualified Financing (as defined in the agreement), upon a Change of Control (as defined in the agreement), upon Prepayment, or at Maturity at a fixed conversion price. If not sooner converted or prepaid, the Convertible Note principal together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on the Loan Maturity Date. Upon the occurrence, and during the continuance, of an Event of Default (as defined in the agreement), interest on the Term Note will bear cash interest at a per annum rate of 20% ("Default Rate") and no PIK interest shall accrue at any time during an Event of Default and the Convertible Note will bear PIK Interest at a per annum at the Default Rate.

Additionally, the Company may voluntarily prepay the Principal of the Loans, in accordance with their terms, in whole or in part at any time. On the date of any such prepayment, the Company will owe to Lender: (i) all accrued and unpaid Cash Interest with respect to the principal amount so prepaid through the date the prepayment is made; (ii) if such prepayment is prior to the twelve-month anniversary of the Closing Date, all unpaid interest (including for the avoidance of doubt, PIK Interest and Cash Interest) with respect to the principal amount so prepaid that would have been due and payable on or prior to the twelve-month anniversary of the Closing Date had the Loans remained outstanding until such twelve-month anniversary date (the "Yield Maintenance Premium"); (iii) the Exit Fee with respect to the principal amount so prepaid, calculated as 1.0% of the outstanding principal balance of the Loans, with only the portion of the principal balance so converted counted for purposes of determining the applicable Exit Fee; and provided further, that, in the event of a partial prepayment of the Loans, the Exit Fee shall be calculated on the principal amount so repaid and not on the entire outstanding principal balance thereof, and (iv) all other Obligations, if any, that shall have become due and payable hereunder with respect to the principal amount so prepaid.

The Loan Agreement contains customary covenants, including restrictions on the Company's ability to incur indebtedness, grant liens or security interest on assets, make acquisitions, loans, advances or investments, or sell or otherwise transfer assets, among others. The Loan Agreement also contains other financial covenants related to minimum gross profit margin, minimum ARR (Annual Recurring

Revenue) growth rate, and fixed charge ratio, among other financial covenants per the terms of the Loan Agreement. The Loan Agreement is secured by a first-priority Lien (subject to Permitted Liens) on and security interest in the Collateral pursuant to the terms of the Collateral Documents. The Loan Agreement named Joseph Davy, CEO, as Guarantor, and per the term of the Loan Agreement, he is willing to guarantee the full payment, performance and collection of all of the Credit Parties' obligations thereunder and under the Loan Agreement, all as further set forth therein.

For all respective periods presented, the Company was not in compliance with the Minimum Gross Profit Margin covenant in section 7.14.1 of the Loan Agreement, the Minimum ARR Growth covenant in section 7.14.2 of the Loan Agreement, and the Fixed Charge Coverage Ratio covenant in section 7.14.3 of the Loan Agreement. As a result of the Company's noncompliance with the financial covenants, the entire principal amount and all unpaid and accrued interest will be classified as current on the Company's consolidated balance sheets.

Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by CP BF or cured to the satisfaction of Lender, subject to the exercise of customary commercial underwriting standards in determining such satisfaction, Lender may, without notice or demand to the Credit Parties declare the unpaid principal of and any accrued interest shall be immediately due and payable. While the Company and the Lender are engaged in good faith discussions to resolve these matters, no agreement to resolve such matters has been reached and all of the Loans remain in default for the reasons stated above, and the Lender is not presently exercising remedies, which the Lender reserves the right to so do at any time.

On August 24, 2023, the Company entered into a forbearance agreement (the "Forbearance Agreement") with CP BF Lending. Under the terms of this Forbearance Agreement, and as a result of the Company's non-compliance with certain covenants of its Loan Agreement with CP BF, CP BF agreed to (i) amend certain provisions of the Loan Agreement to clarify the treatment of the Merger with 7GC under the Loan Agreement, (ii) consent to the consummation of the Merger Agreement with 7GC and (iii) forbear from exercising any of its rights and remedies under the Loan Agreement with the Company from the effective date of the Forbearance Agreement until the earlier of (a) the four-month anniversary of the closing of the Merger if the Merger is closed on or prior to December 29, 2023, (b) December 29, 2023 if the Merger is not consummated on or prior to December 29, 2023 or (c) the date on which any Termination Event (as defined within the Forbearance Agreement) shall have occurred. In connection with the Forbearance Agreement, CP BF and the Company also agreed to amend and restate CP BF's existing convertible promissory notes (the "A&R CP BF Notes") so that they may remain outstanding following the closing of the Merger and, at CP BF's option, be convertible into Class A shares of the combined company.

On February 19, 2021, the Company capitalized $310,589 and $71,674 of costs associated with the issuance of the Term Note and Convertible Notes, respectively, and amortizes these costs to interest expense over the term of the debt, using the effective interest method. The capitalized debt issuance costs are presented as a reduction of the carrying value of the Term Note and Convertible Notes.

The embedded redemption put feature upon a Prepayment and Default Interest triggering events that are unrelated to the creditworthiness of the Company are not clearly and closely related to the debt host instrument, were separated and bundled together, as a derivative and assigned probabilities of being affected and initially measured at fair value in the amount of $3,000. Subsequent changes in fair value of the feature will be recognized as a gain or loss in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (See Note 5).

On October 10, 2022 the Loan Agreement was amended, where CP BF waived payment by the Company of four months of cash interest with respect to the Term Note in replacement for a Convertible Note ("First Amendment Convertible Note") in the principal amount of $321,345, which is not considered an Additional Loan as defined above. The First Amendment Convertible Note has the same features as the Convertible Note described above.

Discounts to the principal amounts, relating to the debt issuance costs and embedded features, are included in the carrying value of the Convertible Notes and amortized to interest expense over the remaining term of the underlying debt. During 2022, the Company recorded a $2,000 debt discount upon issuance of the Convertible Notes. For the nine months ended September 30, 2023, interest expense on the Term Note totaled $849,377, comprised of $789,982 of contractual interest and $59,395 for the amortization of the discount. The effective interest rate for the Term Note was 16% for nine months ended September 30, 2023 and 2022. For the nine months ended September 30, 2023, interest expense on the Convertible Notes totaled $309,564, comprised of $289,892 of contractual interest and $19,672 for the amortization of the discount. The effective interest rate for the CP BF Convertible Note and First Amendment Convertible Note was 16% and 16%, respectively, for the nine months ended September 30, 2023 and 2022. For the nine months ended September 30, 2022, interest expense on the Term Note totaled $827,750, comprised of $778,066 of contractual interest and $49,684 for the amortization of the discount. For the nine months ended September 30, 2022, interest expense on the Convertible Notes totaled $224,749, comprised of $212,704 of contractual interest and $12,045 for the amortization of the discount.

The Company utilizes a combination of scenario-based methods and Black-Scholes option pricing models to determine the average share count outstanding at conversion and the simulated price per share for the Company as of the valuation date. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

The following table presents the CP BF convertible notes as of September 30, 2023:

| | |
|---|---|
| Face value of the CB BF convertible notes | $1,821,345 |
| Debt discount, net | (44,045) |
| Carrying value of the CB BF convertible notes | 1,777,300 |
| Accrued interest | 808,797 |
| Total CB BF convertible notes and accrued interest | $2,586,097 |

The following table presents the CP BF convertible notes as of December 31, 2022:

| | |
|---|---|
| Face value of the CB BF convertible notes | $1,821,345 |
| Debt discount, net | (63,715) |
| Carrying value of the CB BF convertible notes | 1,757,630 |
| Accrued interest | 518,904 |
| Total CB BF convertible notes and accrued interest | $2,276,534 |

The following table presents the CP BF term note as of September 30, 2023:

| | |
|---|---|
| Face value of the CB BF term note | $6,500,000 |
| Debt discount, net | (133,517) |
| Carrying value of the CB BF term note | 6,366,483 |
| Accrued interest | 664,301 |
| Total CB BF term note and accrued interest | $7,030,784 |

The following table presents the CP BF term note as of December 31, 2022:

| | |
|---|---|
| Face value of the CB BF term note | $6,500,000 |
| Debt discount, net | (192,911) |
| Carrying value of the CB BF term note | 6,307,089 |
| Accrued interest | 186,962 |
| Total CB BF term note and accrued interest | $6,494,051 |

**11. Simple Agreements for Future Equity**

*Simple Agreements for Future Equity—Related Party*

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with related parties Alco and DNX (See Note 10 for description of the related party relationship with these entities) (the "Related Party SAFEs") pursuant to which the Company received gross proceeds in the amount of $3,500,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Related Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Related Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Related Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Related Party SAFE liability was $3,500,000. Subsequent changes in fair value at each reporting period are recognized in the condensed consolidated statement of operations. For the nine months ended September 30, 2023 and 2022, the Company recognized a gain of $1,927,007 and a loss of $962,591, respectively, for the change in fair value of the Related Party SAFE liability.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Related Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On September 2, 2022, the Company modified the SAFE agreements pursuant to approval by the holders. In accordance with the modified terms, in the event of an Equity Financing or SPAC Transaction, the Related Party SAFEs will automatically convert into shares of the Company's common or preferred stock at the lesser of (a) the Discount Price for an Equity Financing (Liquidity Price (as defined in the agreements) for a SPAC Transaction) or (b) the conversion price obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in the agreements). Upon modification, the Company calculated the fair value of the Related Party SAFE liability immediately before and immediately after the modification which resulted in the recognition of a loss for the change in fair value of $1,644,161.

*Simple Agreements for Future Equity—Third Party*

During the year ended December 31, 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with third party investors (the "Third Party SAFEs") pursuant to which the Company received gross proceeds in the amount of $336,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Third Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Third Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Third Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Third Party SAFE liability was $336,000. Subsequent changes in fair value at each reporting period are recognized in the Consolidated Statement of Operations. For the nine months ended September 30, 2023 and 2022, the Company recognized a gain of $184,993 and a loss of $92,409, respectively, for the change in fair value of the Third Party SAFE liability.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Third Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On September 2, 2022, the Company modified the Third Party SAFE agreements pursuant to approval by the holders. In accordance with the modified terms, in the event of an Equity Financing or SPAC Transaction, the Third Party SAFEs will automatically convert into shares of the Company's common or preferred stock at the lesser of (a) the Discount Price for an Equity Financing (Liquidity Price (as defined in the agreements) for a SPAC Transaction) or (b) the conversion price obtained by dividing $50,000,000 by the Fully Diluted Capitalization (as defined in the agreements). Upon modification, the Company calculated the fair value of the Third Party SAFE liability immediately before and immediately after the modification which resulted in the recognition of a loss for the change in fair value of $157,839.

**12. Commitments and Contingencies**

***Leases***

The Company has operating leases for its real estate across multiple states. The operating leases have remaining lease terms of approximately 1.0 year as of September 30, 2023 and consist primarily of office space.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach to derive an appropriate incremental borrowing rate to discount remaining lease payments.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. The Company has not entered into any lease arrangements with related parties.

The Company's existing leases contain escalation clauses and renewal options. The Company is not reasonably certain that renewal options will be exercised upon expiration of the initial terms of its existing leases. Prior to adoption of ASU 2016-02 effective January 1, 2022, the Company accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

The Company entered into a sublease which it has identified as an operating lease prior to the adoption of ASC 842 *Leases*. The Company remains the primary obligor to the head lease lessor, making rental payments directly to the lessor and separately billing the sublessee. The sublease is subordinate to the master lease, and the sublessee must comply with all applicable terms of the master lease. The Company subleased the real estate to a third-party at a monthly rental payment amount that was less than the monthly cost that it pays on the headlease with the lessor.

In evaluating long-lived assets for recoverability, the Company calculated the fair value of the sublease using its best estimate of future cash flows expected to result from the use of the asset. When undiscounted cash flows to be generated through the sublease is less than the carrying value of the underlying asset, the asset is deemed impaired. If it is determined that assets are impaired, an impairment loss is recognized for the amount that the asset's book value exceeds its fair value. Based on the expected future cash flows, the Company recognized an impairment loss upon adoption of ASC 842 *Leases* of $303,327. The impairment loss was recorded to impairment loss on lease on the consolidated statement of operations for the nine months ended September 30, 2022.

The components of lease expense, are as follows:

| | For the Nine Months Ended September 30, | |
|---|---|---|
| **Components of lease expense:** | **2023** | **2022** |
| Operating lease cost | $ 151,282 | $ 141,447 |
| Lease impairment cost | — | 303,327 |
| Sublease income | (153,248) | (126,992) |
| Total lease (income) cost | $ (1,966) | $ 317,782 |

Supplemental cash flow information related to leases are as follows:

| | For the Nine Months Ended September | |
|---|---|---|
| **Supplemental cash flow information:** | **2023** | **2022** |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Non-cash lease expense (operating cash flow) | $ 129,705 | $ 111,048 |
| Non-cash impairment of right to use assets (operating cash flow) | — | (303,327) |
| Change in lease liabilities (operating cash flow) | (211,204) | (176,664) |
| Operating lease right-of-use assets obtained in exchange for lease obligations: | | |
| Operating leases | $ — | $ 762,603 |

Supplemental balance sheet information related to leases was as follows:

| **Operating leases:** | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| Operating lease right-of-use assets | $ 177,553 | $ 307,258 |
| Operating lease liability, current | 305,450 | 284,963 |
| Operating lease liability, long-term | 2,352 | 234,043 |
| Total operating lease liabilities | $ 307,802 | $ 519,006 |

| Weighted-average remaining lease term: | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Operating leases (in years) | 1.01 | 1.76 |

| Weighted-average discount rate: | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Operating leases | 6.75% | 6.74% |

Future minimum lease payments under non-cancellable lease as of September 30, 2023, are as follows:

| Maturities of lease liabilities: | |
|---|---|
| Year Ending December 31, | |
| Remainder of 2023 | $ 78,546 |
| 2024 | 240,818 |
| Total undiscounted cash flows | 319,364 |
| Less discounting | (11,562) |
| Present value of lease liabilities | $307,802 |

**13. Equity**

***Class A and B Common Stock***

The Company's Amended and Restated Certificate of Incorporation, issued January 29, 2021, authorized the issuance of 19,544,521 shares of Common Stock, $0.0001 par value per share, of which (i) 13,224,521 shares are designated as Class A Common Stock ("Class A Common Stock") and (ii) 6,320,000 shares are designated as Class B Common Stock ("Class B Common Stock") (collectively, the "Common Stock"). As of September 30, 2023 and December 31, 2022, the Company has issued 1,847,894 and 1,837,606 shares of Class A Common Stock, respectively. As of September 30, 2023 and December 31, 2022, the Company has issued 6,320,000 shares of Class B Common Stock. The Class A Common Stock and Class B Common Stock entitle their holders to one vote per share and ten votes per share, respectively, on each matter properly submitted to the stockholders entitled to vote thereon.

The holders of shares of Common Stock shall be entitled to receive dividends declared by the Board of Directors, on a pro rata basis based on the number of shares of Common Stock held by each such holder, assuming conversion of all Class B Common Stock into Class A Common Stock at a one-to-one conversion ratio.

Upon execution of the Merger, the 2,560,000 shares of Class B Common Stock held by Roland A. Linteau III will be converted into Class A Common Stock.

***Series A-1 and A-2 Convertible Preferred Stock***

The Company's Amended and Restated Certificate of Incorporation, issued February 20, 2020, authorized the issuance of 2,600,306 shares of Preferred Stock, $0.0001 par value per share, of which (i) 2,400,959 shares are designated as Series A-1 Preferred Stock ("Series A-1 Preferred") and (ii) 199,347 shares are designated as Series A-2 Preferred Stock ("Series A-2 Preferred") (collectively, the "Preferred Stock"). On November 30, 2020 the Company Amended and Restated their Certificate of Incorporation which increased the number of authorized shares of Series A-1 Preferred Stock by 24,521 to a total of 2,425,480. As of September 30, 2023 and December 31, 2022, the Company has issued 2,129,476 shares of Series A-1 Preferred with an original issuance price of $2.9155 per share and 199,347 shares of Series A-2 Preferred with an original issuance price of $0.5518 per share.

The Preferred Stock is presented in temporary or "mezzanine" equity as the convertible preferred stock give the holders (by majority vote) the option if there is a sale, merger or change of control to redeem shares for cash. The convertible preferred stock is recorded at fair value as of the date of issuance. No subsequent adjustment of the initial measurement amounts for these contingently redeemable Preferred Stock is necessary unless the redemption of the convertible preferred shares becomes probable. Accordingly, the amount presented as temporary equity for the contingently redeemable Preferred Stock outstanding is its issuance-date fair value.

The Preferred Stock are convertible at the option of the holder at any time into shares of Class A Common Stock or will automatically convert into Class A Common Stock upon (1) Sale of shares of Common Stock to the public or (2) Specified by vote or written consent of the Requisite Holders. Other than dividends on shares of Common Stock payable in shares of Common Stock, the Preferred

Stock have rights equal to holders on shares of any other class or series of capital stock of the Corporation. There have been no dividends declared to date. Each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Class A Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Class A Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price in effect at the time of conversion, with the "Conversion Price" with respect to each series of Preferred Stock initially equal to the applicable Original Issue Price for each such series of the Preferred Stock.

***Restricted Stock***

In connection with the acquisition of Demio and High Attendance, the Company issued restricted stock to the selling shareholders and founders of Demio. 1,213,346 shares of the Company's restricted Class A common stock were issued to the selling shareholders and founders of Demio and 133,257 shares of the Company's restricted Class A common stock were issued to the High Attendance shareholder. All shares issued to the selling shareholders and founders of Demio vested and are outstanding as of September 30, 2023. All shares issued to the High Attendance shareholder were cancelled and are not outstanding as of September 30, 2023.

**14. Stock-Based Compensation**

The Company established the Banzai International, Inc. 2016 Equity Incentive Plan ("the Plan") on April 26, 2016, to enable the Company to attract, incentivize and retain eligible individuals through the granting of awards in the Company. The maximum number of options that may be issued over the term of the Plan were initially set at 400,000 shares of common stock. On July 19, 2017, the Plan was amended to increase the maximum number of options that may be issued to 2,400,000 shares of common stock. Accordingly, the Company has reserved a sufficient number of shares to permit the exercise of options in accordance with the terms of the Plan. The term of each award under the Plan shall be no more than ten years from the date of grant thereof. The Company's Board of Directors is responsible for the administration of the Plan and has the sole discretion to determine which grantees will be granted awards and the terms and conditions of the awards granted. As of September 30, 2023, 1,289,791 stock options remain available to be awarded under the Plan.

The Company accounts for stock-based payments pursuant to ASC 718 *Stock Compensation* and, accordingly, the Company records compensation expense for stock-based awards based upon an assessment of the grant date fair value for options using the Black-Scholes option pricing model. The Company has concluded that its historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term. Therefore, the expected term was determined according to the simplified method, which is the average of the vesting tranche dates and the contractual term. Due to the lack of company specific historical and implied volatility data, the estimate of expected volatility is primarily based on the historical volatility of a group of similar companies that are publicly traded. For these analyses, companies with comparable characteristics were selected, including enterprise value and position within the industry, and with historical share price information sufficient to meet the expected life of the share-based awards. The Company computes the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent periods of the calculated expected term of its share-based awards. The risk-free interest rate is determined by reference to the U.S. Treasury zero-coupon issues with remaining maturities similar to the expected term of the options. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

On June 26, 2020, the Board of Directors of Banzai approved the repricing of 973,000 outstanding stock options held by current employees to an exercise price of $0.76. No other changes to the original stock option grant terms were made.

The incremental compensation cost was measured as the fair value of the stock options immediately before and immediately after the modification. The Company determined the total incremental compensation cost from the modification to be $35,013, of which $25,127 related to fully vested options and was expensed as stock-based compensation expense, and $9,886 related to unvested options and will be recognized over the remaining service period.

The following table summarizes assumptions used to compute the fair value of options granted:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Stock price | $ 7.04 | $ 1.54 |
| Exercise price | $ 7.36 | $ 1.70 |
| Expected volatility | 80.00 - 99.03% | 53.61 - 55.30% |
| Expected term (in years) | 5.25 - 6.08 | 5.94 - 6.08 |
| Risk-free interest rate | 3.46 - 4.31% | 1.95 - 2.85% |

A summary of stock option activity under the Plan is as follows:

| | Shares Underlying Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (in years) | Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2022 | 603,578 | $ 1.35 | 7.95 | $ 3,433,946 |
| Granted | 606,200 | 7.36 | | |
| Exercised | (10,288) | 0.76 | | 64,609 |
| Expired | (19,531) | 1.71 | | |
| Forfeited | (69,750) | 3.40 | | |
| Outstanding at September 30, 2023 | 1,110,209 | $ 4.50 | 8.33 | $ 3,004,816 |
| Exercisable at September 30, 2023 | 450,909 | $ 2.37 | 7.21 | $ 2,136,325 |

In connection with issuances under the Plan, the Company recorded stock-based compensation expense of $830,791 and $630,737, which is included in general and administrative expense for the nine months ended September 30, 2023 and 2022, respectively. The weighted-average grant-date fair value per option granted during the nine months ended September 30, 2023 and 2022 was $4.96 and $0.60, respectively. As of September 30, 2023 and December 31, 2022, $2,190,563 and $160,203 of unrecognized compensation expense related to non-vested awards is expected to be recognized over the weighted average period of 2.71 and 2.74 years, respectively. The aggregate intrinsic value is calculated as the difference between the fair value of the Company's stock price and the exercise price of the options.

**15. Income Taxes**

The Company estimates an annual effective tax rate of 0% for the year ended December 31, 2023 as the Company incurred losses for the nine month period ended September 30, 2023 and is forecasting an estimated net loss for both financial statement and tax purposes for the year ended December 31, 2023. Therefore, no federal or state income taxes are expected and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with FASB ASC 740.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company cannot currently support that realization of its deferred tax assets is more likely than not.

At September 30, 2023, the Company had no unrecognized tax benefits that would reduce the Company's effective tax rate if recognized.

**16. Subsequent Events**

*Additional Drawdown on the Alco September Promissory Note*

In October 2023, the Company drew down the remaining $500,000 on the Alco September 2023 Promissory Note.

*Issuance of Subordinated Term Note*

In November 2023, Banzai issued a subordinated term note, for a principal balance of $750,000 to Alco, a related party lender. The note bears interest at 8% per year, payable on maturity, and matures on April 13, 2024. This issuance was approved by the board of directors and principal shareholders of the Company, in accordance with a written consent and waiver, signed on March 8, 2023.

*Registration Statement on Form S-4 has been Declared Effective*

On November 15, 2023, 7GC issued a press release announcing that its registration statement on Form S-4, initially filed with the U.S. Securities and Exchange Commission (the "SEC") on August 31, 2023 (as amended, the "Registration Statement"), relating to the previously announced proposed business combination with Banzai, has been declared effective by the SEC as of November 13, 2023. 7GC has established a record date of October 27, 2023 and a meeting date of December 5, 2023 for its special meeting of stockholders to approve the Business Combination.

*Grant of Stock Options*

On December 3, 2023, Banzai granted 217,187 stock options to certain employees and non-employees, under the Company's Amended and Restated 2016 Equity Incentive Plan. Certain of these stock options were fully vested at grant, while others vest over a four year period, and all expire after a period of ten years and have an exercise price of $5.15.

*Amendment to Nonstatutory Option Exercise Price*

Concurrent with the above disclosed December 3, 2023 grant of stock options, Banzai approved an amendment to the exercise price of 398,746 unexercised nonstatutory options issued to certain non-employees, and 186,454 unexercised options issued to certain current employees of the Company. The exercise price of these options was amended to reduce this to $5.15, subject to acceptance by the holders of the options.

*Approval of Retention Bonus Offers*

On December 3, 2023, the Company also approved and committed to paying retention bonuses for an aggregate amount of $605,000, to certain management employees. These bonuses are subject to certain conditions, most notably the respective employees remaining in the service of the Company through the respective retention dates, which begin January 1, 2024 and extend through January 1, 2027 for certain employees, and will be paid no later than December 31 of the year in which the retention date occurs.

**Exhibit 99.2**

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

*References in this section to "Banzai" refer to Legacy Banzai prior to the Closing. Capitalized terms used but not defined in this Exhibit 99.1 shall have the meanings ascribed to them in the Current Report on Form 8-K to which this Exhibit 99.1 is attached.*

The Company is providing the following unaudited pro forma condensed combined financial information to aid you in your analysis of the financial aspects of the Business Combination and related transactions. The following unaudited pro forma condensed combined financial information presents the combination of the financial information of 7GC and Banzai adjusted to give effect to the Business Combination and related transactions. 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."

The historical financial information of 7GC was derived from the unaudited financial statements of 7GC as of September 30, 2023 and for the nine months ended September 30, 2023 and the audited financial statements of 7GC as of December 31, 2022, included elsewhere in the Proxy Statement/Prospectus. The historical financial information of Banzai was derived from the unaudited financial statements of Banzai as of September 30, 2023 and for the nine months ended September 30, 2023 and the audited financial statements of Banzai as of December 31, 2022, included elsewhere in the Proxy Statement/Prospectus. Such unaudited pro forma financial information has been prepared on a basis consistent with the audited financial statements of 7GC and Banzai, respectively, and should be read in conjunction with the audited historical financial statements and related notes, each of which is included elsewhere in the Proxy Statement/Prospectus and are incorporated in this Current Report on Form 8-K by reference. This information should be read together with 7GC's and Banzai's financial statements and related notes, the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* in the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 filed with the SEC by 7GC on November 21, 2023 and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information included elsewhere in this Current Report on Form 8-K.

The Business Combination was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, 7GC was treated as the "acquired" company for financial reporting purposes. Banzai has been determined to be the accounting acquirer because Banzai equityholders, as a group, retained a majority of the voting power of New Banzai as of the closing of the Business Combination (and, after redemptions requested by 7GC's public stockholders, retained a majority of the outstanding shares of New Banzai), Banzai has designated more than half of the members of the board of directors as of the closing of the Business Combination and Banzai's equityholders prior to the closing of the Business Combination have the ability to control decisions regarding election and removal of directors from the New Banzai Board, Banzai's management will continue to manage New Banzai and Banzai's business will comprise the ongoing operations of New Banzai.

The unaudited pro forma condensed combined balance sheet as of September 30, 2023 assumes that the Business Combination and related transactions occurred on September 30, 2023. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2023 and for the year ended December 31, 2022 give pro forma effect to the Business Combination and related transactions as if they had occurred on January 1, 2022. 7GC and Banzai have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

These unaudited pro forma condensed combined financial statements are for informational purposes only. They do not purport to indicate the results that would have been obtained had the Business Combination and related transactions actually been completed on the assumed date or for the periods presented, or which may be realized in the future. The pro forma adjustments are based on the information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

**Description of the Business Combination**

On December 8, 2022, 7GC entered into the Original Merger Agreement, by and among 7GC, Banzai, First Merger Sub, and Second Merger Sub, as amended by the Amendment on August 4, 2023. Pursuant to the terms of the Merger Agreement, the parties thereto entered into the Business Combination and the Transactions, pursuant to which, among other things, (i) First Merger Sub merged with and into Banzai, with Banzai surviving the First Merger as an indirect wholly owned subsidiary of 7GC, and (ii) immediately following the First Merger, the Surviving Corporation merged with and into Second Merger Sub, with the Second Merger Sub surviving the Second Merger as a direct wholly owned subsidiary of 7GC. Following the Mergers, the Second Merger Sub became a direct wholly owned subsidiary of 7GC. The 7GC Units, 7GC Class A Common Stock, and the 7GC Public Warrants prior to the Closing were listed on Nasdaq, under the symbols "VIIAU," "VII," and "VIIAW," respectively. 7GC Class A Common Stock and the 7GC Public Warrants were listed on Nasdaq under the symbols "BNZI" and "BNZIW", respectively, upon the Closing. At the Closing, each unit separated into its components consisting of one share of 7GC Class A Common Stock and one-half of one 7GC Public Warrant and, as a result, no longer trades as a separate security. At the Closing, 7GC changed its name to Banzai International, Inc.

The aggregate consideration payable to securityholders of Banzai at the Closing consisted of a number of New Banzai Class A Shares or New Banzai Class B Shares, and cash in lieu of any fractional New Banzai Class A Shares or New Banzai Class B Shares that would otherwise have been payable to any Banzai securityholders, equal to $100,000,000.

On the terms and subject to the conditions set forth in the Merger Agreement, at the Second Effective Time, each share of common stock of the Surviving Corporation issued and outstanding immediately prior to the Second Effective Time was cancelled and no consideration was delivered therefore.

*Treatment of Outstanding Equity Awards*

In addition, as of the First Effective Time: (i) each Banzai Option, whether vested or unvested, that was outstanding immediately prior to the First Effective Time and held by a Pre-Closing Holder Service Provider, was assumed and converted into a 7GC Option with respect to a number of New Banzai Class A shares calculated in the manner set forth in the Merger Agreement; and (ii) the vested portion of each Banzai Option that was outstanding at such time and held by a Pre-Closing Holder Non-Service Provider was assumed and converted into a 7GC Option with respect to a number of New Banzai Class A Shares calculated in the manner set forth in the Merger Agreement.

*Treatment of SAFE Rights*

As of the First Effective Time, each SAFE Right that was outstanding immediately prior to the First Effective Time was cancelled and converted into and became the right to receive a number of New Banzai Class A Shares equal to the SAFE Purchase Amount in respect of such SAFE Right divided by the SAFE Conversion Price in respect of such SAFE Right multiplied by (ii) the Exchange Ratio.

*Treatment of Convertible Notes*

As of the First Effective Time, each Subordinated Convertible Note that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right to receive a number of New Banzai Class A Shares equal to (i) all of the outstanding principal and interest in respect of such Subordinated Convertible Note divided by the Subordinated Convertible Note Conversion Price in respect of such Subordinated Convertible Note, multiplied by (ii) the Exchange Ratio. In connection with the Forbearance Agreement and amended and restated Senior Convertible Notes, each Senior Convertible Note remained outstanding following the Closing (to be convertible at CP BF's option into New Banzai Class A Shares after the Business Combination).

On December 14, 2023, Banzai entered into that certain First Amendment to Forbearance Agreement with the guarantors defined therein and CP BF, pursuant to which (i) CP BF agreed not to exercise any right or remedy under the Loan Agreement with CP BF entered into on February 19, 2021 (the "CP BF Loan Agreement"), including its right to accelerate the aggregate amount outstanding under the CP BF Loan Agreement, until the date that is the earlier of the date that all Promissory Notes to be issued under the SEPA have been repaid (and/or converted) in full, or (b) six months after the Closing of the Business Combination.

*Alco Promissory Notes and Amendment*

In October 2023, Banzai drew down the remaining $0.5 million on that certain Subordinated Promissory Note issued by Banzai to Alco Investment Company ("Alco") on September 13, 2023 (the "Alco September 2023 Promissory Note"). In November 2023, Banzai issued that certain Subordinated Promissory Note to Alco (the "Alco November 2023 Promissory Note"), for a principal balance of $0.75 million to Alco, a related party lender. The Alco November 2023 Promissory Note bears interest at 8% per year, payable on maturity, and matures on September 30, 2024. Pursuant to the Alco September 2023 Promissory Note and the Alco November 2023 Promissory Note, Alco, 7GC, and the Sponsor, simultaneously entered into share transfer agreements, dated October 3, 2023 and November 16, 2023, whereby the parties agreed, concurrently with and contingent upon the Closing, that the Sponsor would forfeit 150,000 and 75,000 shares, respectively, of 7GC Class B Common Stock and 7GC would issue to Alco 150,000 and 75,000 New Banzai Class A Shares. On December 13, 2023, Banzai, Alco, and CP BF Lending, LLC agreed to amend the Alco September 2023 Promissory Note in the aggregate principal amount of $1.5 million to extend the maturity date from January 10, 2024, to September 30, 2024 (the "Alco Note Amendment").

On December 13, 2023, in connection with the Business Combination, Banzai entered into an agreement with Alco to issue a subordinated promissory note (the "New Alco Note" and, together with the Alco September 2023 Promissory Note and the Alco November 2023 Promissory Note, the "Alco Notes") to Alco in the aggregate principal amount of $2.0 million. The New Alco Note will bear interest at a rate of 8% per annum and will be due and payable on December 31, 2024. In connection with such New Alco Note, each of 7GC and the Sponsor also entered into the December Share Transfer Agreement, pursuant to which for each $10.00 in principal borrowed under the New Alco Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor in exchange for the right and Alco to receive three shares of Class A Common Stock, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 600,000. Alco also agreed to a 180-day lock-up period with respect to such shares in the Share Transfer Agreements, subject to customary exceptions. The $2 million under the New Alco Note was funded on December 14, 2023. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 825,000 shares of 7GC Class B Common Stock and (ii) the Company issued to Alco 825,000 New Banzai Class A Shares, pursuant to the Share Transfer Agreements.

With respect to the New Alco Note, specifically the share forfeiture and issuance of shares under the December Share Transfer Agreement, the Alco September 2023 Promissory Note and Alco November 2023 Promissory Note, specifically the associated share transfer agreements, and the Alco Note Amendment, the evaluation regarding the appropriate accounting for these transactions has not yet finalized as of the date of this 8-K. As such, no pro forma adjustment has been reflected with respect to the share forfeiture and issuance related to the New Alco Note, with the exception of the recognition of these shares within the pro forma capitalization table, nor with respect to the share transfer agreements related to the Alco September 2023 Promissory Note and Alco November 2023 Promissory Note, nor with respect to the Alco Note Amendment. The significant determinations outstanding with respect to the accounting relate to the determination of the fair value of the forfeited shares of 7GC Class B Common Stock and issued New Banzai Class A Shares and the determination of the accounting treatment of the Alco Note Amendment.

*Drawdown on 7GC Sponsor Promissory Note*

On October 3, 2023, 7GC issued an unsecured promissory note (the "2023 Promissory Note") to the Sponsor, which provides for borrowings from time to time of up to an aggregate of $500,000 for working capital purposes. The 2023 Promissory Note does not bear interest and was repayable in full upon the earlier of the consummation of a business combination or the date the Company liquidates the trust account (the "Trust Account") established in connection with the Company's initial public offering (the "IPO") upon the failure of the Company to consummate a business combination within the requisite time period. On October 6, 2023, 7GC made a drawdown of $250,000 against the 2023 Promissory Note, which brought total borrowings under the 7GC Promissory Notes (as defined below) to $2,550,000 as 7GC had $2,300,000 outstanding at September 30, 2023.

On December 12, 2023, in connection with the Business Combination, the Sponsor came to a non-binding agreement with 7GC to amend the optional conversion provision of that certain (i) unsecured promissory note, dated as of December 21, 2022 (the "2022 Promissory Note"), issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to $2,300,000 from the Sponsor, and (ii) the 2023 Promissory Note (together, the "7GC Promissory Notes"), to provide that 7GC has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily VWAP of the Class A Common Stock for the 30 trading days following the Closing.

With respect to the 7GC Sponsor Promissory Note, and specifically the amendment to the optional conversion provision to the 2022 Promissory Notes, the evaluation regarding the appropriate accounting for this transaction has not yet finalized as of the date of this 8-K. As such, no pro forma adjustment has been reflected with respect to the accounting for the amendment to this debt agreement. The significant determinations outstanding with respect to the accounting relate to the determination as to whether this amendment represents a modification or extinguishment of the underlying 7GC Promissory Notes.

*SEPA*

On December 14, 2023, the Company entered into the SEPA with Banzai and Yorkville. Pursuant to such SEPA, subject to certain conditions, including the consummation of the Business Combination, the Company shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to $100,000,000 of New Banzai Class A Shares, at the Company's request any time during the commitment period commencing on the date following (x) repayment of Pre-Paid Advance and (y) effectiveness of a Resale Registration Statement filed with the SEC for the resale under the Securities Act, by Yorkville of the New Banzai Class A Shares issued under the SEPA (excluding the 300,000 New Banzai Class A Shares issued pursuant to the SEPA) and terminating on the 36-month anniversary of the SEPA.

In connection with the execution of the SEPA, the Company paid a structuring fee (in cash) to Yorkville in the amount of $35,000. Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing such number of shares of Legacy Banzai Class A Common Stock, such that upon the Closing, Yorkville received 300,000 New Banzai Class A Shares (the "Yorkville Closing Shares") as a holder of Legacy Banzai Class A Common Stock and (b) the Company agreed to pay a commitment fee of $500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or New Banzai Class A Shares through an Advance.

Additionally, Yorkville has agreed to advance to the Company, in exchange for Promissory Notes, the Pre-Paid Advance, $2.0 million of which was funded at Closing in exchange for the issuance of the First Promissory Note and the Second Tranche will be funded upon the effectiveness of a Resale Registration Statement; provided that if at the time of the initial filing of such registration statement, shares issuable under the Exchange Cap multiplied by the closing price on the day prior to such filing is less than $7.0 million (i.e., 2x coverage of the Pre-Paid Advance), the Second Tranche will be further conditioned upon the Company obtaining stockholder approval to exceed the Exchange Cap. The First Promissory Note was issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

The Promissory Notes for the Pre-Paid Advance will be due six months from the applicable date of issuance, and interest shall accrue on the outstanding balance of the Promissory Notes at an annual rate equal to 0%, subject to an increase to 18% upon an event of default as described in the Promissory Notes. The Promissory Notes shall be convertible by Yorkville into New Banzai Class A Shares at an aggregate purchase price based on a price per share equal to the lower of (a) $10.00 per share (the "Fixed Price") or (b) 90% of the lowest daily VWAP of the New Banzai Class A Shares on Nasdaq during the ten trading days immediately prior to each conversion (the "Variable Price"), but which Variable Price shall not be lower than the Floor Price then in effect. The "Floor Price" will be the lower of (i) $2.00 per share or (ii) 20% of the VWAP of the New Banzai Class A Shares immediately prior to effectiveness of the Resale Registration Statement, subject to a downward only reset equal to the average VWAP of the New Banzai Class A Shares for the three trading days prior to the 20 trading day anniversary of the Closing. Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than ten trading days' prior written notice thereof and (ii) on the date such notice is issued, the VWAP of the New Banzai Class A Shares is less than the Fixed Price.

At any time during the Commitment Period that there is a balance outstanding under a Promissory Note, Yorkville may deliver notice (an "Investor Notice") to Banzai to cause an Advance Notice to be deemed delivered to Yorkville and the issuance and sale of shares of Class A Common Stock to Yorkville pursuant to an Advance in an amount not to exceed the balance owed under all Promissory Notes outstanding on the date of delivery of such Investor Notice. The purchase price of the shares of Class A Common Stock in respect of such Advance shall be equal to the Conversion Price (as defined in the Promissory Notes) in effect on the date of delivery of the Investor Notice and shall be paid by offsetting the amount of the purchase price to be paid by Yorkville against an equal amount outstanding under a Promissory Note (first towards accrued and unpaid interest, if any, then towards principal).

An "Amortization Event" will occur under the terms of the Promissory Note if (i) the daily VWAP is less than the Floor Price for five trading days during a period of seven consecutive trading days, (ii) the Company has issued substantially all of the New Banzai Class A Shares available under the Exchange Cap, or (iii) the Company is in material breach of its obligations under the Registration Rights Agreement (as defined below) and such breach remains uncured for a period of five trading days or the occurrence of certain registration events specified in the Registration Rights Agreement, including (but not limited to) that the Resale Registration Statement is not declared effective on or prior to the 60th day following the initial filing thereof, the Resale Registration Statement ceases to remain continuously effective, inability of Yorkville to utilize the prospectus within the Resale Registration Statement for more than 30 consecutive calendar days or an aggregate of 40 calendar days during any 12-month period. Within seven trading days of an Amortization Event, the Company will be obligated to make monthly cash payments in an amount equal to the sum of (i) $1.0 million of principal of the Promissory Note (or the outstanding principal if less than such amount) (the "Amortization Principal Amount"), plus (ii) a payment premium of 10% in respect of such Amortization Principal Amount, plus (iii) accrued and unpaid interest thereunder. The obligation of the Company to make monthly prepayments shall cease (with respect to any payment that has not yet come due) if any time after an Amortization Event (a) the Company reduces the Floor Price to an amount no more than 75% of the closing price of the New Banzai Class A Shares on the trading day immediately prior to such reset notice (and no greater than the initial Floor Price), or (b) the daily VWAP is greater than the Floor Price for a period of ten consecutive trading days, unless a subsequent Amortization Event occurs.

With respect to the SEPA, and specifically the appropriate treatment of the structuring fee and issuance of the Yorkville Closing Shares, the evaluation regarding the appropriate accounting for this transaction has not yet finalized as of the date of this 8-K. As such, the pro forma adjustments reflected below may be subject to change. The significant determinations outstanding with respect to the accounting relate to the determination as to whether the structuring fee and Yorkville Closing Shares represent debt issuance costs and if so, how these should be accounted for.

The pro forma adjustments giving effect to the Business Combination and related transactions are summarized below, and are discussed further in the footnotes to these unaudited pro forma condensed combined financial statements:

- the consummation of the Business Combination and reclassification of cash held in 7GC's Trust Account to cash and cash equivalents, net of redemptions (see below);
- the repayment of existing debt;
- the accounting for certain offering costs and transaction costs incurred by both 7GC and Banzai;
- the SEPA;
- the Alco September 2023 Promissory Note, New Alco Note, the Alco November 2023 Promissory Note, the Alco Note Amendment and the Share Transfer Agreements;
- the GEM Letter; and
- the 7GC Promissory Notes

Prior to the Closing, 7GC's public stockholders holding 3,207,428 shares of 7GC Class A Common Stock elected to redeem such shares.

The Company notes that the accounting for the transactions summarized above is subject to change based on the finalization of the evaluation of the associated accounting. Refer to the descriptions related to these transactions above, for further detail with respect to evaluations not yet completed.

The following summarizes the pro forma ownership of common stock of the Company following the Business Combination and related transactions:

| | Number of Shares | Percentage of Outstanding Shares |
|---|---|---|
| Banzai Chief Executive Officer (1) | 2,311,134 | 15.51% |
| Existing Banzai Securityholders (2) | 6,421,985 | 43.09% |
| Public Stockholders (3) | 518,711 | 3.48% |
| Sponsor Persons (4) | 4,528,499 | 30.38% |
| Alco (5) | 825,000 | 5.53% |
| Yorkville (6) | 300,000 | 2.01% |
| **Pro forma Common Stock (7)** | **14,905,329** | **100.00%** |

(1) Consists of 2,311,134 New Banzai Class B Shares held by Mr. Davy.
(2) Consists of all New Banzai Class A Shares issued to Legacy Banzai securityholders at the Closing pursuant to the Merger Agreement, including 3,692,878 Banzai shares initially issued upon conversion of the Subordinated Convertible Notes and SAFE Rights. Does not include New Banzai Class B Shares issued to the Banzai Chief Executive Officer, Mr. Davy, at the Closing pursuant to the Merger Agreement.

(3) Reflects 122.210 public shares remaining after redemptions of 3,207,428 public shares in connection with the Closing, plus 396,501 New Banzai Class A Shares issued to certain parties at Closing in exchange for the 396,501 shares of 7GC Class B Common Stock surrendered and forfeited by Sponsor at the Closing pursuant to the Non-Redemption Agreements.

(4) Consists of 4,428,499 New Banzai Class A Shares held currently by the Sponsor and 100,000 shares held by independent board members of the Sponsor. Excludes (i) 825,000 shares surrendered and forfeited by the Sponsor to 7GC for no consideration pursuant to the Share Transfer Agreements at Closing and (ii) 396,501 shares surrendered and forfeited by Sponsor to 7GC for no consideration pursuant to the Non-Redemption Agreements.

(5) Reflects the issuance of an aggregate of 825,000 New Banzai Class A Shares to Alco at the Closing pursuant to the Share Transfer Agreements. Excludes shares received by Alco as an Existing Banzai Securityholder at the Closing pursuant to the Merger Agreement.

(6) Reflects the issuance of 300,000 Yorkville Closing Shares at the Closing pursuant to the SEPA and the Merger Agreement.

(7) This table only includes outstanding shares and does not include shares that may be issued in the future or shares underlying securities convertible into or exercisable for shares, including (i) the 11,500,000 7GC public warrants, (ii) shares issuable upon conversion of the CP BF Senior Convertible Notes remaining outstanding at Closing, (iii) any Cantor Fee Shares issued post-Closing, (iv), shares of New Banzai Common Stock that may be issued pursuant to Advances under the SEPA, and (v) shares of New Banzai Common Stock underlying the GEM Warrant issued on December 15, 2023 and any convertible debenture issued to GEM following the Closing.

In connection with the Closing, Banzai waived the Minimum Cash Condition and Net Transaction Proceeds clauses in the Merger Agreement.

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
**AS OF SEPTEMBER 30, 2023**

| | 7GC (Historical) | Banzai (Historical) | Financing Transactions (Note 3) | | Transaction Accounting Adjustments | | Pro Forma Combined |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | $ 399,511 | $ 396,761 | $3,250,000 | A | $ 35,559,672 | D | $ — |
| | | | 250,000 | B | (9,121,218) | G | |
| | | | 1,765,000 | C | (34,524,065) | I | |
| | | | | | (904,997) | J | |
| | | | | | 2,929,336 | O | |
| Accounts receivable | — | 98,277 | — | | — | | 98,277 |
| Less: Allowance for credit losses | — | (3,879) | — | | — | | (3,879) |
| Accounts receivable, net | — | 94,398 | — | | — | | 94,398 |
| Deferred contract acquisition costs, current | — | 21,546 | — | | — | | 21,546 |
| Prepaid expenses and other current assets | 85,540 | 143,311 | — | | — | | 228,851 |
| Total current assets | 485,051 | 656,016 | 5,265,000 | | (6,061,272) | | 344,795 |
| Marketable securities held in Trust Account | 35,559,672 | — | — | | (35,559,672) | D | — |
| Property and equipment, net | — | 6,207 | — | | — | | 6,207 |
| Goodwill | — | 2,171,526 | — | | — | | 2,171,526 |
| Right-of-use assets | — | 177,553 | — | | — | | 177,553 |
| Deferred offering costs | — | 2,291,343 | — | | (2,291,343) | G | — |
| Other assets | — | 38,381 | — | | — | | 38,381 |
| Total assets | $36,044,723 | $5,341,026 | $5,265,000 | | $(43,912,287) | | $2,738,462 |
| **LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)** | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | $ 2,486,256 | $2,396,347 | $ — | | $ (3,497,127) | G | $4,314,812 |
| | | | | | 2,929,336 | O | |
| Due to related party | 67,118 | — | — | | — | | 67,118 |
| Convertible promissory note, net of discount | — | — | 1,800,000 | C | — | | 1,800,000 |
| Convertible promissory note - related party | 2,300,000 | — | 250,000 | B | — | | 2,550,000 |
| Franchise tax payable | 150,000 | — | — | | — | | 150,000 |
| Excise tax payable | 184,436 | — | — | | — | | 184,436 |
| Income Tax Payable | 217,608 | — | — | | — | | 217,608 |
| Accrued expenses and other current liabilities | 2,705,970 | 617,346 | 500,000 | C | (2,652,199) | G | 1,171,117 |
| Simple agreement for future equity, current - related party | — | 6,709,854 | — | | (6,709,854) | E | — |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Simple agreement for future equity, current | — | 644,146 | — | | (644,146) | **E** | — |
| Convertible notes - related party | — | 6,465,097 | — | | (6,465,097) | **E** | — |
| Convertible notes | — | 3,106,816 | — | | (3,106,816) | **E** | — |
| Convertible notes (CP BF) | — | 2,586,097 | — | | — | | 2,586,097 |
| Bifurcated embedded derivative liabilities - related party | — | 3,024,219 | — | | (3,024,219) | **E** | — |
| Bifurcated embedded derivative liabilities | — | 1,552,781 | — | | (1,552,781) | **E** | — |
| Notes payable | — | 7,030,784 | — | | — | | 7,030,784 |
| Notes payable - related party | — | 1,154,997 | 3,250,000 | **A** | (904,997) | **J** | 3,500,000 |
| Earnout liability | — | 82,114 | — | | — | | 82,114 |
| Deferred revenue | — | 891,008 | — | | — | | 891,008 |
| Lease liabilities, current | — | 305,450 | — | | — | | 305,450 |
| Total current liabilities | 8,111,388 | 36,567,056 | 5,800,000 | | (25,627,900) | | 24,850,544 |
| Deferred underwriting fees payable | 8,050,000 | — | — | | (4,050,000) | **N** | 4,000,000 |
| Derivative warrant liabilities | 1,696,500 | — | — | | (661,500) | **M** | 1,035,000 |
| Lease liabilities, long-term | — | 2,352 | — | | — | | 2,352 |
| Other long-term liabilities | — | 75,000 | — | | — | | 75,000 |
| Total liabilities | 17,857,888 | 36,644,408 | 5,800,000 | | (30,339,400) | | 29,962,896 |
| Temporary equity: | | | | | | | |
| Common stock subject to possible redemption | 35,476,939 | — | — | | (35,476,939) | **F** | — |
| Series A preferred stock, $0.0001 par value | — | 6,318,491 | — | | (6,318,491) | **L** | — |
| Total temporary equity | 35,476,939 | 6,318,491 | — | | (41,795,430) | | — |
| Stockholders' equity (deficit) | | | | | | | |
| Preferred stock, $0.0001 par value | — | — | — | | — | | — |
| Common stock, $0.0001 par value | — | 817 | — | | 369 | **E** | 1,491 |
| | | | | | (321) | **I** | |
| | | | | | 546 | **L** | |
| | | | | | 79 | **K** | |
| Class A common stock, $0.0001 par value | — | — | — | | 333 | **F** | — |
| | | | | | (333) | **L** | |
| Class B common stock, $0.0001 par value | 575 | — | — | | (575) | **L** | |
| Additional paid-in capital | — | 2,770,849 | — | | 16,925,544 | **E** | 14,719,867 |
| | | | | | 35,476,606 | **F** | |
| | | | | | (3,770,220) | **G** | |
| | | | | | (17,290,679) | **H** | |
| | | | | | (34,523,744) | **I** | |
| | | | | | 6,318,853 | **L** | |
| | | | | | (79) | **K** | |
| | | | | | 661,500 | **M** | |
| | | | | | 4,050,000 | **N** | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | 4,101,238 | P | |
| Retained earnings (accumulated deficit) | (17,290,679) | (40,393,539) | (535,000) | C | (1,493,014) | G | (41,945,791) |
| | | | | | 17,290,679 | H | |
| | | | | | 4,577,000 | E | |
| | | | | | (4,101,238) | P | |
| Total stockholders' equity (deficit) | (17,290,104) | (37,621,873) | (535,000) | | 28,222,543 | | (27,224,434) |
| Total liabilities, temporary equity and stockholders' equity (deficit) | $ 36,044,723 | $ 5,341,026 | $5,265,000 | | $(43,912,287) | | $ 2,738,462 |

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

| | 7GC (Historical) | Banzai (Historical) | Financings (Note 3) | Transaction Accounting Adjustments | | Pro Forma Combined |
|---|---|---|---|---|---|---|
| Revenue | $ — | $ 3,478,794 | $ — | $ — | | $ 3,478,794 |
| Cost of revenue | — | 1,132,671 | $ — | — | | 1,132,671 |
| Operating expenses: | | | | | | |
| General and administrative | 2,243,422 | 8,937,265 | — | — | | 11,180,687 |
| Non-redemption agreement expense | 372,710 | — | — | — | | 372,710 |
| Franchise tax expense | 150,000 | — | — | — | | 150,000 |
| Depreciation and amortization | — | 5,596 | — | — | | 5,596 |
| Impairment loss on lease | — | — | — | — | | — |
| Loss from operations | (2,766,132) | (6,596,738) | — | — | | (9,362,870) |
| Other (income) expense: | | | | | | |
| Other income, net | (6,315) | (70,569) | — | — | | (76,884) |
| Interest income | — | (111) | — | — | | (111) |
| Interest expense - related party | — | 1,614,085 | — | (1,614,085) | **DD** | — |
| Interest expense | — | 1,879,394 | — | (1,020,614) | **DD** | 858,780 |
| Other expenses | — | — | — | — | | — |
| Change in fair value of derivative warrant liabilities | 377,000 | — | — | (147,000) | **CC** | 230,000 |
| Change in fair value of bifurcated embedded derivative liabilities - related party | — | (1,927,007) | — | 1,927,007 | **DD** | — |
| Change in fair value of bifurcated embedded derivative liabilities | — | (184,993) | — | 184,993 | **DD** | — |
| Change in fair value of simple agreement for future equity - related party | — | 72,359 | — | (72,359) | **DD** | — |
| Change in fair value of simple agreement for future equity | — | 36,500 | — | (36,500) | **DD** | — |
| Gain on marketable securities (net), dividends and interest, held in Trust Account | (1,386,098) | — | — | 1,386,098 | **AA** | — |
| Total other (income) expense | (1,015,413) | 1,419,658 | — | 607,540 | | 1,011,785 |
| Loss before income taxes | (1,750,719) | (8,016,396) | — | (607,540) | | (10,374,655) |
| Provision for income taxes | 243,374 | 17,081 | — | — | | 260,455 |
| Net loss | $(1,994,093) | $(8,033,477) | $ — | $ (607,540) | | $(10,635,110) |
| **Net loss per share** | | | | | | |
| **Basic and diluted, common stock** | $ — | $ (0.98) | | | | |
| **Basic and diluted net income (loss) per share, Class A common stock subject to possible redemption** | $ (0.20) | | | | | |
| **Basic and diluted net income (loss) per share, Class B non-redeemable common stock** | $ (0.20) | | | | | |
| **Weighted average shares outstanding** | | | | | | |

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

| | | | |
|---|---|---|---|
| **Weighted average common shares outstanding, basic and diluted** | — | 8,164,050 | |
| **Weighted average shares outstanding of Class A common stock subject to possible redemption, basic and diluted** | 4,455,999 | | |
| **Weighted average shares outstanding of Class B non-redeemable common stock** | 5,750,000 | | |
| Weighted average shares outstanding - basic and diluted | | | 14,905,329 |
| Pro forma net loss per share - basic and diluted | | | $ (0.71) |

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2022**

| | 7GC (Historical) | Banzai (Historical) | Financings (Note 3) | Transaction Accounting Adjustments | | Pro Forma Combined |
|---|---|---|---|---|---|---|
| Revenue | $ — | $ 5,332,979 | $ — | $ — | | $ 5,332,979 |
| Cost of revenue | — | 1,956,964 | — | — | | 1,956,964 |
| Operating expenses: | | | | | | |
| General and administrative | 3,018,332 | 9,275,251 | — | 6,116,401 | **BB** | 18,409,984 |
| Franchise tax expense | 226,156 | — | — | — | | 226,156 |
| Depreciation and amortization | — | 9,588 | — | — | | 9,588 |
| Impairment loss on operating lease | — | 303,327 | — | — | | 303,327 |
| (Loss) income from operations | (3,244,488) | (6,212,151) | — | (6,116,401) | | (15,573,040) |
| Other (income) expense: | | | | | | |
| Other income, net | — | (150,692) | — | — | | (150,692) |
| Interest expense - related party | — | 728,949 | — | (728,949) | **DD** | 260,000 |
| | | | | 260,000 | **EE** | |
| Interest expense | — | 1,651,141 | — | (528,899) | **DD** | 1,322,242 |
| | | | | 200,000 | **FF** | |
| Loss on extinguishment of debt | — | 56,653 | — | — | | 56,653 |
| Loss on modification of simple agreement for future equity - related party | — | 1,572,080 | — | (1,572,080) | **DD** | — |
| Loss on modification of simple agreement for future equity | — | 150,920 | — | (150,920) | **DD** | — |
| Change in fair value of simple agreement for future equity - related party | — | 4,001,825 | — | (4,001,825) | **DD** | — |
| Change in fair value of simple agreement for future equity | — | 384,175 | — | (384,175) | **DD** | — |
| Change in fair value of bifurcated embedded derivative liabilities - related party | — | 592,409 | — | (3,616,628) | **DD** | (3,024,219) |
| Change in fair value of bifurcated embedded derivative liabilities | — | 268,891 | — | (1,821,672) | **DD** | (1,552,781) |
| Change in fair value of derivative warrant liabilities | (10,252,500) | — | — | 4,042,500 | **CC** | (6,210,000) |
| Gain on marketable securities (net), dividends and interest, held in Trust Account | (3,195,723) | — | — | 3,195,723 | **AA** | — |
| Total other (income) expense | (13,448,223) | 9,256,351 | — | (5,106,925) | | (9,298,797) |
| Income (loss) before income taxes | 10,203,735 | (15,468,502) | — | (1,009,476) | | (6,274,243) |
| Income tax expense (benefit) | 765,554 | — | | — | | 765,554 |
| Net income (loss) | $ 9,438,181 | $(15,468,502) | $ — | $(1,009,476) | | $ (7,039,797) |
| **Net income per share** | | | | | | |
| **Basic and diluted, common stock** | — | (1.90) | | | | |
| **Basic and diluted net income per share, Class A common stock** | $ 0.33 | | | | | |
| **Basic and diluted net income per share, Class B common stock** | $ 0.33 | | | | | |
| **Weighted average shares outstanding** | | | | | | |
| **Weighted average common shares outstanding, basic and diluted** | — | 8,150,270 | | | | |
| **Weighted average shares outstanding of Class A common stock** | 22,901,791 | | | | | |
| **Weighted average shares outstanding of Class B common stock** | 5,750,000 | | | | | |
| Weighted average shares outstanding - basic and diluted | | | | | | 14,905,329 |
| Pro forma net loss per share - basic and diluted | | | | | | $ (0.47) |

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

### Note 1. Basis of Presentation

The Business Combination is accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, 7GC is treated as the "accounting acquiree" and Banzai as the "accounting acquirer" for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination is treated as the equivalent of Banzai issuing shares for the net assets of 7GC, followed by a recapitalization. The net assets of Banzai are stated at historical cost. Operations prior to the Business Combination are those of Banzai.

The unaudited pro forma condensed combined balance sheet as of September 30, 2023 gives effect to the Business Combination and related transactions as if they occurred on September 30, 2023. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2023 and for the year ended December 31, 2022 give effect to the Business Combination and related transactions as if they occurred on January 1, 2022.

The pro forma adjustments reflecting the consummation of the Business Combination and the related transactions are based on certain currently available information and certain assumptions and methodologies that Company management believes are reasonable under the circumstances. The unaudited condensed combined 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 may differ from the pro forma adjustments, and it is possible that the difference may be material. Company management believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination and the related transactions 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 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 pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and related transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of 7GC and Banzai.

### Note 2. Accounting Policies and Reclassifications

Management has performed a comprehensive review of the two entities' accounting policies. Based on this review, 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.

#### *Preferred Stock Conversion*

Immediately prior to the First Effective Time, each share of Banzai Preferred Stock that was issued and outstanding was automatically converted into one share of Banzai Class A Common Stock in accordance with the Amended and Restated Certificate of Incorporation of Legacy Banzai, such that each converted share of Banzai Preferred Stock was no longer outstanding and ceased to exist, and each holder of shares of Banzai Preferred Stock thereafter ceased to have any rights with respect to such securities.

#### *Accounting for Stock Option Conversion*

Banzai accounts for stock-based compensation arrangements with employees, non-employee directors and non-employee consultants using a fair value method which requires the recognition of compensation expense for costs related to all stock-based awards, including stock options, over the vesting period of the award. As of the Effective Time, each Banzai Option prior to the Business Combination that is then outstanding was converted into an option to purchase shares of Banzai Class A Common Stock upon substantially the same terms and conditions as in effect with respect to such option immediately prior to the Effective Time. As there is no change in the terms of the options, management does not expect to recognize any incremental fair value.

**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 related transactions 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"). The Company has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial information. 7GC and Banzai have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statement of operations are based upon the number of Banzai's ordinary shares outstanding assuming the Business Combination and related transactions occurred on January 1, 2022.

*Alco Promissory Notes and Amendment*

In October 2023, Banzai drew down the remaining $0.5 million on the September 2023 Promissory Note. In November 2023, Banzai issued the Alco November 2023 Promissory Note, for a principal balance of $0.75 million to Alco, a related party lender. The Alco November 2023 Promissory Note bears interest at 8% per year, payable on maturity, and matures on September 30, 2024. Pursuant to the Alco September 2023 Promissory Note and the Alco November 2023 Promissory Note, Alco, 7GC, and the Sponsor, simultaneously entered into the share transfer agreements, dated October 3, 2023 and November 16, 2023, whereby the parties agreed, concurrently with and contingent upon the Closing, that the Sponsor would forfeit 150,000 and 75,000 shares, respectively, of 7GC Class B Common Stock and 7GC would issues to Alco of 150,000 and 75,000 New Banzai Class A Shares. On December 13, 2023, Banzai, Alco, and CP BF Lending, LLC agreed to the Alco Note Amendment.

On December 13, 2023, in connection with the Business Combination, Banzai entered into an agreement with Alco to issue the New Alco Note to Alco in the aggregate principal amount of $2.0 million. The New Alco Note will bear interest at a rate of 8% per annum and will be due and payable on December 31, 2024. In connection with such New Alco Note, each of 7GC and the Sponsor also entered into the December Share Transfer Agreement, pursuant to which for each $10.00 in principal borrowed under the New Alco Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor in exchange for the right of Alco to receive three shares of Class A Common Stock, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 600,000. Alco also agreed to a 180-day lock-up period with respect to such shares in the Share Transfer Agreements, subject to customary exceptions. The $2 million under the New Alco Note was funded on December 14, 2023. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 825,000 shares of 7GC Class B Common Stock and (ii) the Company issued to Alco 825,000 New Banzai Class A Shares pursuant to the Share Transfer Agreements.

*Drawdown on 7GC Sponsor Promissory Note*

On October 3, 2023, 7GC issued the 2023 Promissory Note to the Sponsor, which provides for borrowings from time to time of up to an aggregate of $500,000 for working capital purposes. The 2023 Promissory Note does not bear interest and was repayable in full upon the earlier of the consummation of a business combination or the date the Company liquidates the Trust Account established in connection with the Company's IPO upon the failure of the Company to consummate a business combination within the requisite time period. On October 6, 2023, 7GC made a drawdown of $250,000 against the 2023 Promissory Note, which brought total borrowings under the 7GC Promissory Notes (as defined below) to $2,550,000 as 7GC had $2,300,000 outstanding at September 30, 2023.

On December 12, 2023, in connection with the Business Combination, the Sponsor came to a non-binding agreement with 7GC to amend the optional conversion provision of the 7GC Promissory Notes, to provide that 7GC has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily VWAP of the Class A Common Stock for the 30 trading days following the Closing.

*SEPA*

On December 14, 2023, the Company entered into the SEPA with Banzai and Yorkville. Pursuant to such SEPA, subject to certain conditions, including the consummation of the Business Combination, the Company shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to $100,000,000 of New Banzai Class A Shares, at the Company's request any time during the commitment period commencing on the date following (x) repayment of Pre-Paid Advance and (y) effectiveness of a Resale Registration Statement filed with the SEC for the resale under the Securities Act, by Yorkville of the New Banzai Class A Shares issued under the SEPA (excluding the 300,000 Yorkville Closing Shares) and terminating on the 36-month anniversary of the SEPA.

In connection with the execution of the SEPA, the Company paid a structuring fee (in cash) to Yorkville in the amount of $35,000. Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing such number of shares of Legacy Banzai Class A Common Stock, such that upon the Closing, Yorkville received 300,000 Yorkville Closing Shares as a holder of Legacy Banzai Class A Common Stock and (b) the Company agreed to pay a commitment fee of $500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or New Banzai Class A Shares through an Advance.

Additionally, Yorkville has agreed to advance to the Company, in exchange for Promissory Notes, the Pre-Paid Advance, $2.0 million of which was funded at Closing in exchange for the issuance of the First Promissory Note and the Second Tranche will be funded upon the effectiveness of a Resale Registration Statement; provided that if at the time of the initial filing of such registration statement, shares issuable under the Exchange Cap multiplied by the closing price on the day prior to such filing is less than $7.0 million (i.e., 2x coverage of the Pre-Paid Advance), the Second Tranche will be further conditioned upon the Company obtaining stockholder approval to exceed the Exchange Cap. The First Promissory Note was issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

The Promissory Notes for the Pre-Paid Advance will be due six months from the applicable date of issuance, and interest shall accrue on the outstanding balance of the Promissory Notes at an annual rate equal to 0%, subject to an increase to 18% upon an event of default as described in the Promissory Notes. The Promissory Notes shall be convertible by Yorkville into New Banzai Class A Shares at an aggregate purchase price based on a price per share equal to the lower of (a) the Fixed Price or (b) the Variable Price, but which Variable Price shall not be lower than the Floor Price then in effect. Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than ten trading days' prior written notice thereof and (ii) on the date such notice is issued, the VWAP of the New Banzai Class A Shares is less than the Fixed Price.

At any time during the Commitment Period that there is a balance outstanding under a Promissory Note, Yorkville may deliver notice (an "Investor Notice") to Banzai to cause an Advance Notice to be deemed delivered to Yorkville and the issuance and sale of shares of Class A Common Stock to Yorkville pursuant to an Advance in an amount not to exceed the balance owed under all Promissory Notes outstanding on the date of delivery of such Investor Notice. The purchase price of the shares of Class A Common Stock in respect of such Advance shall be equal to the Conversion Price (as defined in the Promissory Notes) in effect on the date of delivery of the Investor Notice and shall be paid by offsetting the amount of the purchase price to be paid by Yorkville against an equal amount outstanding under a Promissory Note (first towards accrued and unpaid interest, if any, then towards principal).

An “Amortization Event” will occur under the terms of the Promissory Note if (i) the daily VWAP is less than the Floor Price for five trading days during a period of seven consecutive trading days, (ii) the Company has issued substantially all of the New Banzai Class A Shares available under the Exchange Cap, or (iii) the Company is in material breach of its obligations under the Registration Rights Agreement (as defined below) and such breach remains uncured for a period of five trading days or the occurrence of certain registration events specified in the Registration Rights Agreement, including (but not limited to) that the Resale Registration Statement is not declared effective on or prior to the 60th day following the initial filing thereof, the Resale Registration Statement ceases to remain continuously effective, inability of Yorkville to utilize the prospectus within the Resale Registration Statement for more than 30 consecutive calendar days or an aggregate of 40 calendar days during any 12-month period. Within seven trading days of an Amortization Event, the Company will be obligated to make monthly cash payments in an amount equal to the sum of (i) $1.0 million of principal of the Promissory Note (or the outstanding principal if less than such amount) (the “Amortization Principal Amount”), plus (ii) a payment premium of 10% in respect of such Amortization Principal Amount, plus (iii) accrued and unpaid interest thereunder. The obligation of the Company to make monthly prepayments shall cease (with respect to any payment that has not yet come due) if any time after an Amortization Event (a) the Company reduces the Floor Price to an amount no more than 75% of the closing price of the New Banzai Class A Shares on the trading day immediately prior to such reset notice (and no greater than the initial Floor Price), or (b) the daily VWAP is greater than the Floor Price for a period of ten consecutive trading days, unless a subsequent Amortization Event occurs.

*GEM Waiver*

On December 12, 2023, Legacy Banzai and GEM entered into a binding term sheet, and on December 14, 2023, the GEM Letter, agreeing to terminate in its entirety the GEM Agreement other than with respect to the Company’s obligation (as the post-combination company in the Business Combination) to issue the GEM Warrant granting the right to purchase New Banzai Class A Shares in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a $2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing.

At Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant in the amount of 828,533 shares at an exercise price of $6.49 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the Effective Time, the GEM Warrant has not been exercised in full and the average closing price per share of New Banzai Class A Shares for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of New Banzai Class A Shares for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of New Banzai Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of common stock, or securities convertible into or exercisable or exchange for, shares of common stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such common stock or other securities.

GEM shall have the right to convert, and the Security shall automatically convert at the maturity date, into Class A Common Stock at a price equal to the lesser of $10.00 per share or 100% of the average three lowest closing bid trading prices in the 40 days immediately preceding such conversion. Banzai shall have the right to redeem the GEM Warrant at any time upon 30 business day’s prior notice at a price of 145% of the then-outstanding aggregate principal amount of the Security. Additionally, Banzai agreed to prepare and file with the SEC a Resale Registration Statement for the resale of the New Banzai Class A Shares underlying the GEM Warrant within 60 days following the Closing. The Company agreed that if such registration statement is not declared effective within 60 days of the Closing, it will pay GEM $2.0 million within one business day thereafter.

***Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet***

The adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2023 are as follows:

***Adjustments related to the Financing Transactions***

A. Reflects (i) cash proceeds received in October 2023 for the draw down of the remaining $0.5 million on the Alco September 2023 Promissory Note, the proceeds received in November 2023 for a draw down of $0.75 million on the Alco November 2023 Promissory Note, and the proceeds received on the New Alco Note entered into on December 12, 2023 of $2.0 million, totaling $3.25 million, and (ii) recording of the aggregate principal balance of $3.25 million for the above Alco Notes.

The final accounting for the New Alco Note is still under evaluation and may be subject to change.

B. Reflects the cash proceeds received by 7GC of $0.25 million in December 2023 for the December 2023 drawdown on the 2023 Promissory Note.

C. Pursuant to the SEPA, the adjustment reflects (i) approximately $1.8 million proceeds received under the Yorkville Pre-Paid Advance at Closing, net of the structuring fee paid of $0.04 million, and net of the 10% original issue discount on the Promissory Note, and (ii) the agreement by the Company to pay a commitment fee of $500,000 to Yorkville at the earlier of March 14, 2024 or the termination of the SEPA, which will be payable, at the option of the Company, in cash or New Banzai Class A Shares through an Advance.

The final accounting for the SEPA is still under evaluation and may be subject to change.

***Transaction Accounting Adjustments***

D. Reflects the reclassification of $35.6 million held in the Trust Account, inclusive of interest earned on the Trust Account, to cash and cash equivalents that becomes available at closing of the Business Combination.

E. Reflects the (a) conversion of $9.6 million in Subordinated Convertible Notes, and $7.4 million in SAFE Rights measured at fair value at September 30, 2023 into 3,692,878 shares of Banzai Class A Shares at a conversion price of $3.97 and (b) reflects the reversal of $4.6 million of bifurcated embedded derivative liability associated with the Subordinated Convertible Notes and SAFE Rights and a gain of $4.6 million recorded to accumulated deficit.

F. Reflects the reclassification to permanent equity of approximately $35.5 million of 7GC Common Stock subject to possible redemption.

G. Represents total transaction costs of $9.1 million in relation to the Business Combination, including $6.1 million of legal, accounting, and other services related to the Business Combination incurred by 7GC of which $4.6 million were expensed and recognized to 7GC's accumulated deficit as of September 30, 2023 and this adjustment reflects the remaining $1.5 recorded to 7GC's accumulated deficit. Additionally, $2.0 million and $2.6 million were included in Accounts Payable and Accrued Expenses as of September 30, 2023, respectively. Banzai incurred approximately $3 million in transaction costs, inclusive of legal costs, and printing, legal, insurance, and accounting services which are recognized in additional paid-in capital due to the treatment of the accounting as a reverse recapitalization. There was $2.3 million, $1.5 million, and $0.02 million related to the mergers contemplated by the Merger Agreement in Deferred Offering Costs, Accounts Payable, and Accrued Expenses as of September 30, 2023, respectively.

H. Reflects the reclassification of 7GC's historical accumulated deficit into additional paid-in capital as part of the reverse recapitalization.

I. Reflects the redemption of 3,207,428 7GC Public Shares for aggregate redemption payments of $34.5 million allocated to New Banzai common stock and additional paid-in capital using par value $0.0001 per share and a redemption price of $10.76 per share.

J. Reflects repayment at Closing of $0.9 million for certain outstanding existing Alco Notes, as on December 12, 2023, Banzai, Alco and CP BF Lending LLC, agreed to amend the September 2023 Existing Alco Note of $1.5 million to extend the maturity date to September 30, 2024, and the New Alco Note of $2 million above is payable on December 31, 2024.

The final accounting for the New Alco Note is still under evaluation and may be subject to change.

K. Reflects conversion of Banzai Options into 791,843 New Banzai Options.

L. Represents recapitalization of Banzai's outstanding equity as a result of the reverse recapitalization and the issuance of Banzai Common Stock to Banzai equity as consideration for the reverse recapitalization.

M. Reflects the forfeiture of 100% of the value of the 7,350,000 outstanding warrants to purchase one share of 7GC Class A Common Stock at an exercise price of $11.50 that were issued to the Sponsor in a private placement ("Private Placement Warrants") pursuant to the Sponsor Forfeiture Agreement on August 4, 2023.

N. Reflects that certain fee reduction agreement (the "Fee Reduction Agreement", dated November 8, 2023, by and between 7GC and Cantor Fitzgerald, capital markets advisor to 7GC ("Cantor"), pursuant to which Cantor agreed to forfeit $4,050,000 of the aggregate of $8,050,000 of deferred underwriting fees payable (the "Original Deferred Fee"), resulting in a remainder of $4,000,000 of deferred underwriting fees payable (the "Reduced Deferred Fee") by 7GC to Cantor upon Closing of the Business Combination (the "Fee Reduction"). Pursuant to the Fee Reduction Agreement, the Reduced Deferred Fee will be payable by the issuance of the Cantor Fee Shares to Cantor following the Closing upon (or immediately prior to) the filing of a Resale Registration Statement on Form S-1 by the Company covering the Reduced Deferred Fee payable in the form of a number of New Banzai Class A Shares equal to the greater of (a) 400,000 or (b) the quotient obtained by dividing (x) the Reduced Deferred Fee by (y) the dollar volume-weighted average price for the New Banzai Class A Shares on Nasdaq, over the five trading days immediately preceding the date of the initial filing of a resale registration statement on Form S-1, as reported by Bloomberg through its "AQR" function (as adjusted for any stock dividend, split, combination, recapitalization or other similar transaction, the "Cantor Fee Shares"), in accordance with the Fee Reduction Agreement.

O. To reflect the reclassification of the negative cash balance of $2.9 million to Accounts Payable. New Banzai expects to negotiate with vendors to defer or pay these liabilities shortly after the Closing with funds to be raised from draws under the SEPA.

P. To reflect the issuance of the 828,533 shares issuable upon exercise of the GEM Warrant issued on December 15, 2023 at a fair value of $4.95 per share underlying the GEM Warrant. Based on an analysis of the terms of the GEM Warrant, these were determined to be equity classified. As such, the fair value of the GEM Warrant has been recorded to additional paid-in capital and accumulated deficit.

The final accounting for the issuance of the GEM Warrant is still under evaluation and may be subject to change.

***Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations***

The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2023 and the year ended December 31, 2022 are as follows:

AA. Reflects elimination of investment income on the Trust Account.

BB. Reflects the estimated transaction costs of 7GC of $6.1 million as if incurred on January 1, 2022, the date the Business Combination occurred for the purposes of the unaudited pro forma condensed combined statement of operations. This is a non-recurring item.

CC. Reflects the elimination of the change in fair value of the derivative warrant liability associated with 7GC's Private Placement Warrants, upon the forfeiture of 100% of the 7,350,000 outstanding Private Placement Warrants pursuant to the Sponsor Forfeiture Agreement on August 4, 2023.

DD. Reflects (a) the elimination of interest expense, interest expense - related party, loss on modification of SAFE - related party, loss on modification of SAFE, and changes in fair value of Banzai's Convertible Notes, SAFEs and bifurcated embedded derivative liabilities and bifurcated embedded derivative liabilities - related party and (b) the elimination of the bifurcated embedded derivative liabilities and bifurcated embedded derivative liabilities - related party, results in a pro forma combined gain upon the extinguishment of the bifurcated embedded derivative liabilities and bifurcated embedded derivative liabilities - related party, totaling $4.6 million.

EE. Reflects interest expense of $0.3 million on the Alco Notes, pursuant to the terms of the interest bearing notes, to recognize the effect on interest expense as if the transaction occurred on January 1, 2022.

FF. Reflects the effect on interest expense to recognize the discount on the Yorkville Promissory Note described above, as if the transaction had occurred on January 1, 2022

**Note 4. Net Loss per Share**

Net loss per share was calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination and the related transactions, assuming the shares were outstanding since January 1, 2022. As the Business Combination and the related transactions are being reflected as if they had occurred at the beginning of the period presented, 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 and related have been outstanding for the entirety of all periods presented.

The unaudited pro forma condensed combined financial information has been prepared to present the effect of the actual redemptions of 7GC Class A Common Stock by 7GC Public Stockholders at the Closing of the Business Combination for the nine months ended September 30, 2023 and for the year ended December 31, 2022:

| | Nine Months Ended September 30, 2023 | Year Ended December 31, 2022 |
|---|---|---|
| Pro forma net loss | $(10,635,110) | $ (7,039,797) |
| Weighted average shares outstanding - basic and diluted | 14,905,329 | 14,905,329 |
| Pro forma net loss per share - basic and diluted | $ (0.71) | $ (0.47) |
| *Excluded securities:* | | |
| Public Warrants | 11,500,000 | 11,500,000 |
| Banzai Options | 1,110,209 | 603,578 |
| GEM Warrant | 828,533 | 828,533 |

**Note 5. Potential Impact of Planned Transactions**

Although such shares will not be issued or outstanding at or immediately following the Closing, 7GC and Banzai anticipate the issuance of additional shares of New Banzai Common Stock and convertible promissory notes to purchase shares of New Banzai Common Stock following the Closing pursuant to the SEPA, the issuance to GEM of a $2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing, and the issuance of additional shares of New Banzai Common Stock following the Closing pursuant to the Fee Reduction Agreement, as described below.

***SEPA***

The Company, as the combined company post Business Combination, subject to certain conditions under the SEPA, including the consummation of the Business Combination, shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to $100,000,000 of New Banzai Class A Shares, at the Company's request any time during the commitment period commencing on the date following (x) repayment of Pre-Paid Advance and (y) effectiveness of a Resale Registration Statement filed with the SEC for the resale under the Securities Act, by Yorkville of the New Banzai Class A Shares issued under the SEPA (excluding the 300,000 New Banzai Class A Shares issued pursuant to the SEPA) and terminating on the 36-month anniversary of the SEPA.

Each advance (each, an "Advance") the Company requests under the SEPA (notice of such request, an "Advance Notice") may be for a number of New Banzai Class A Shares up to the greater of (i) 500,000 shares or (ii) such amount as is equal to 100% of the average daily volume traded of the New Banzai Class A Shares during the five trading days immediately prior to the date the Company requests each Advance; provided, in no event shall the number of New Banzai Class A Shares issued cause the aggregate New Banzai Class A Shares held by Yorkville and its affiliates as of any such date to exceed 9.99% of the total number of New Banzai Class A Shares outstanding as of the date of the Advance Notice (less any such shares held by Yorkville and its affiliates as of such date). The shares would be purchased, at the Company's election, at a purchase price equal to either:

(i) 95% of the average daily volume weighted average price of the New Banzai Class A Shares on Nasdaq as reported by Bloomberg L.P. ("VWAP") for the pricing period commencing (i) if submitted to Yorkville prior to 9:00 a.m. Eastern Time on a trading day, the open of trading on such day or (ii) if submitted to Yorkville after 9:00 a.m. Eastern Time on a trading day, upon receipt by the Company of written confirmation (which may be by e-mail) of acceptance of such Advance Notice by Yorkville (or the open of regular trading hours, if later), and which confirmation shall specify such commencement time, and, in either case, ending on 4:00 p.m. New York City time on the applicable Advance Notice date (the "Option 1 Pricing Period"); or

(ii) 96% of the lowest daily VWAP of the Class A Common Stock during the three trading days commencing on the Advance Notice date (the "Option 2 Pricing Period").

In connection with an Advance Notice where the Company selects an Option 1 Pricing Period, if the total number of New Banzai Class A Shares traded on Nasdaq during the applicable Option 1 Pricing Period is less than the Volume Threshold (defined as the amount of the Advance shares divided by 30%), then the number of shares issued and sold pursuant to such Advance Notice shall be reduced to the greater of (a) 30% of the trading volume during such Option 1 Pricing Period as reported by Bloomberg L.P., or (b) the number of shares sold by Yorkville during such Option 1 Pricing Period, but in each case not to exceed the amount requested in the Advance Notice.

In addition, in connection with the execution of the SEPA, the Company paid a structuring fee (in cash) to Yorkville in the amount of $35,000. Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing such number of shares of Legacy Banzai Class A Common Stock, such that upon the Closing, Yorkville received 300,000 Yorkville Closing Shares as a holder of Legacy Banzai Class A Common Stock and (b) the Company agreed to pay a commitment fee of $500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or New Banzai Class A Shares through an Advance.

***GEM Waiver***

On December 12, 2023, Legacy Banzai and GEM entered into a binding term sheet, and on December 14, 2023, the GEM Letter, agreeing to terminate in its entirety the GEM Agreement other than with respect to the Company's obligation (as the post-combination company in the Business Combination) to issue the GEM Warrant granting the right to purchase New Banzai Class A Shares in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a $2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing.

At Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant in the amount of 828,533 shares at an exercise price of $6.49 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the Effective Time, the GEM Warrant has not been exercised in full and the average closing price per share of New Banzai Class A Shares for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of New Banzai Class A Shares for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of New Banzai Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of common stock, or securities convertible into or exercisable or exchange for, shares of common stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such common stock or other securities.

GEM shall have the right to convert, and the Security shall automatically convert at the maturity date, into Class A Common Stock at a price equal to the lesser of $10.00 per share or 100% of the average three lowest closing bid trading prices in the 40 days immediately preceding such conversion. Banzai shall have the right to redeem the GEM Warrant at any time upon 30 business day's prior notice at a price of 145% of the then-outstanding aggregate principal amount of the Security. Additionally, Banzai agreed to prepare and file with the SEC a Resale Registration Statement for the resale of the New Banzai Class A Shares underlying the GEM Warrant within 60 days following the Closing. The Company agreed that if such registration statement is not declared effective within 60 days of the Closing, it will pay GEM $2.0 million within one business day thereafter.

***Cantor Fee Reduction Agreement***

On November 8, 2023, Cantor and 7GC entered into the Fee Reduction Agreement, pursuant to which Cantor has agreed to forfeit $4,050,000 of the aggregate of the aggregate of $8,050,000 of deferred underwriting fees payable ("Original Deferred Fee"), with the remaining $4,000,000 Reduced Deferred Fee payable by 7GC to Cantor following the Closing of the Business Combination. Pursuant to the Fee Reduction Agreement, the Reduced Deferred Fee will be payable in the form of the Cantor Fee Shares, which will be calculated as a number of New Banzai Class A Shares equal to the greater of (a) 400,000 or (b) the quotient obtained by dividing (x) the Reduced Deferred Fee by (y) the dollar volume-weighted average price for the New Banzai Class A Shares on Nasdaq, over the five trading days immediately preceding the date of the initial filing of a resale registration statement on Form S-1, as reported by Bloomberg through its "AQR" function (as adjusted for any stock dividend, split, combination, recapitalization or other similar transaction). The Cantor Fee Shares will be payable following the Closing upon (or immediately prior to) initial filing of a resale registration statement on Form S-1 by New Banzai covering the Cantor Fee Shares (which New Banzai will be required to file as soon as practicable but no later than thirty (30) days following the Closing), in accordance with the terms of the Fee Reduction Agreement. See sections titled "Stockholder Proposal No. 1 - The Business Combination Proposal - Background of the Business Combination" and "7GC Management's Discussion and Analysis of Financial Condition and Results of Operations-Contractual Obligations" of the Proxy Statement/Prospectus.

The following summarizes the pro forma ownership of common stock of Banzai following the Business Combination, including the anticipated issuance of the Cantor Fee Shares following the Closing:

| | Number of Shares | Percentage of Outstanding Shares |
|---|---|---|
| Banzai Chief Executive Officer (1) | 2,311,134 | 15.10% |
| Existing Banzai Securityholders (2) | 6,421,985 | 41.96% |
| Public Stockholders (3) | 518,711 | 3.39% |
| Sponsor Persons (4) | 4,528,499 | 29.59% |
| Alco (5) | 825,000 | 5.39% |
| Yorkville (6) | 300,000 | 1.96% |
| Cantor Stockholders (7) | 400,000 | 2.61% |
| **Pro forma Common Stock** (8) | **15,305,329** | **100.00%** |

(1) Consists of 2,311,134 New Banzai Class B Shares held by Mr. Davy.

(2) Consists of all New Banzai Class A Shares issued to Legacy Banzai securityholders at the Closing pursuant to the Merger Agreement, including 3,692,878 Banzai shares initially issued upon conversion of the Subordinated Convertible Notes and SAFE Rights. Does not include New Banzai Class B Shares issued to the Banzai Chief Executive Officer, Mr. Davy, at the Closing pursuant to the Merger Agreement.

(3) Reflects 122,210 public shares remaining after redemptions of 3,207,428 public shares in connection with the Closing, plus 396,501 New Banzai Class A Shares issued to certain parties at Closing in exchange for the 396,501 shares of 7GC Class B Common Stock surrendered and forfeited by Sponsor at the Closing pursuant to the Non-Redemption Agreements.

(4) Consists of 4,428,499 New Banzai Class A Shares held currently by the Sponsor and 100,000 shares held by independent board members of the Sponsor. Excludes (i) 825,000 shares surrendered and forfeited by the Sponsor to 7GC for no consideration pursuant to the Share Transfer Agreements at Closing and (ii) 396,501 shares surrendered and forfeited by Sponsor to 7GC for no consideration pursuant to the Non-Redemption Agreements.

(5) Reflects the issuance of an aggregate of 825,000 New Banzai Class A Shares to Alco at the Closing pursuant to the Share Transfer Agreements. Excludes shares received by Alco as an Existing Banzai Securityholder at the Closing pursuant to the Merger Agreement.

(6) Reflects the issuance of 300,000 Yorkville Closing Shares at the Closing pursuant to the SEPA and the Merger Agreement.

(7) Presented here as the minimum number of Cantor Fee Shares that could be issued (400,000) following Closing; however this could be a greater number of shares as, under the Fee Reduction Agreement, the number of Cantor Fee Shares payable will be calculated as the number of New Banzai Class A Shares equal to the greater of (a) 400,000 or (b) the quotient obtained by dividing (x) the Reduced Deferred Fee by (y) the dollar volume-weighted average price for the New Banzai Class A Shares on Nasdaq, over the five trading days immediately preceding the date of the initial filing of a resale registration statement on Form S-1, as reported by Bloomberg through its “AQR” function (as adjusted for any stock dividend, split, combination, recapitalization or other similar transaction).

(8) This table only includes outstanding shares and does not include shares that may be issued in the future or shares underlying securities convertible into or exercisable for shares, including (i) the 11,500,000 7GC public warrants, (ii) shares issuable upon conversion of the CP BF Senior Convertible Notes remaining outstanding at Closing, (iii) any Cantor Fee Shares issued post-Closing, (iv) shares of New Banzai Common Stock underlying the GEM Warrant issued on December 15, 2023 and any convertible debenture issued to GEM following the Closing.

The below pro forma net loss per share is calculated using the historical weighted average shares outstanding, the issuance of additional shares in connection with the Business Combination and the related transactions, and the anticipated issuance of the Cantor Fee Shares subsequent to the Closing (as described above), assuming the shares were outstanding since January 1, 2022. As the Business Combination and the related transactions are being reflected as if they had occurred at the beginning of the period presented, 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 and related transactions, the Cantor Fee Shares have been outstanding for the entirety of all periods presented.

The unaudited pro forma condensed combined financial information has been prepared to present the effect of the actual redemptions of 7GC Class A Common Stock by 7GC Public Stockholders at the Closing of the Business Combination for the nine months ended September 30, 2023 and for the year ended December 31, 2022:

| | Nine Months Ended September 30, 2023 | Year Ended December 31, 2022 |
|---|---|---|
| Pro forma net loss | $(10,635,110) | $ (7,039,797) |
| Weighted average shares outstanding - basic and diluted | 15,305,329 | 15,305,329 |
| Pro forma net loss per share - basic and diluted | $ (0.69) | $ (0.46) |
| *Excluded securities:* | | |
| Public Warrants | 11,500,000 | 11,500,000 |
| Banzai Options | 1,110,209 | 603,578 |
| GEM Warrant | 828,533 | 828,533 |