FORM 20-F

Annual and transition report of foreign private issuers pursuant to sections 13 or 15(d)

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Mailing Address
UNIT 1 CAMWAL COURT
CHAPEL STREET
BRISTOL X0 BS2 0UW

Business Address
UNIT 1 CAMWAL COURT
CHAPEL STREET
BRISTOL X0 BS2 0UW
44 7799310595

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

FORM 20-F

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

OR

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

For the fiscal year ended December 31, 2021

OR

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

For the transition period from to

OR

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

Date of event requiring this shell company report

Commission file number 001-41169

Vertical Aerospace Ltd.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

Vertical Aerospace Ltd.

Unit 1 Camwal Court, Chapel Street

Bristol BS2 0UW

United Kingdom
(Address of principal executive offices)

Sanjay Verma
General Counsel

Telephone: +44 117 457 2094

Email: Legal@vertical-aerospace.com
Vertical Aerospace Ltd.

Unit 1 Camwal Court, Chapel Street

Bristol BS2 0UW

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value $0.0001 per share	EVTL	New York Stock Exchange
Warrants, each whole warrant exercisable for one ordinary share at an exercise price of $11.50 per share	EVTLW	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of the period covered by the annual report. 209,135,382 ordinary shares.

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

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

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

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

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

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

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ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated in this Annual Report, the terms "Vertical," the "Company," "we," "us," "our," "our company" and "our business" refer to Vertical Aerospace Group Ltd. prior to the closing of the Business Combination (as defined below) and to Vertical Aerospace Ltd., together with its consolidated subsidiaries as a consolidated entity, following the closing of the Business Combination.

SELECTED DEFINITIONS

The following terms used in this Annual Report are defined below, unless where context otherwise requires:

"*2021 Incentive Plan*" means the Vertical Aerospace Ltd. 2021 Incentive Award Plan filed as Exhibit 4.6 to this Annual Report.

"*AAM*" means advanced air mobility, with reference to the advanced air mobility market.

"*Amended and Restated Memorandum and Articles of Association*" means the amended and restated memorandum and articles of association of Vertical Aerospace Ltd. adopted on December 1, 2021, a copy of which is filed as Exhibit 1.1 to this Annual Report.

"*American*" means American Airlines Inc.

"*American Commercial Warrant Shares*" means the Ordinary Shares represented by Warrant B, Warrant C, Warrant D, Warrant E and Warrant F (as such terms are defined in the American Warrant Instrument) to be issued to American in accordance with the American Warrant Instrument.

"*American Lock-Up Agreement*" means the Lock-Up Agreement entered into by American at the Closing in connection with the Business Combination.

"*American SPA*" means the share purchase deed, dated as of June 10, 2021, providing for, among other things, the sale of 5,804 Class Z ordinary shares of VAGL to Vertical in consideration for the issuance by Vertical of 6,125,000 ordinary shares to American.

"*American Warrant Instrument*" means the warrant instrument entered into by Vertical immediately following the Closing pursuant to which, among other things, American received warrants exercisable for ordinary shares.

"*Avolon*" means Avolon e Limited, its shareholders or a member of the Avolon Group (as applicable).

"*Avolon Commercial Warrant Shares*" means the Ordinary Shares represented by Warrant C1 and Warrant C2 (as such terms are defined in the Avolon Warrant Instrument) to be issued to the Avolon Warrantholders in accordance with the Avolon Warrant Instrument.

"*Avolon Group*" means Avolon Holdings Limited and each of its subsidiaries from time to time.

"*Avolon Warrantholders*" means the shareholders of Avolon e Limited.

"*Avolon Lock-Up Agreements*" means the Lock-Up Agreements entered into by the Avolon Warrantholders in connection with the Business Combination.

"*Avolon Warrant Instrument*" means the warrant instrument entered into by Vertical immediately following the Closing pursuant to which, among other things, the Avolon Warrantholders received warrants exercisable for ordinary shares.

"*Bristow*" means Bristow Group Inc.

"*British pounds sterling*" or "£" means the legal currency of the United Kingdom.

"*Broadstone*" means Broadstone Acquisition Corp., a Cayman Islands exempted company.

"*Broadstone Initial Public Offering*" or "*IPO*" means the initial public offering of units of Broadstone, each consisting of one ordinary share of Broadstone and one-half of one redeemable Broadstone public warrant, consummated on September 15, 2020.

"*Broadstone Private Placement Warrants*" means the warrants sold by Broadstone privately to the Sponsor simultaneously with the consummation of the Broadstone Initial Public Offering (including the underwriters' partial exercise of their over-allotment option).

"*Business Combination Agreement*" means the Business Combination Agreement, dated as of June 10, 2021, as amended, by and among, *inter alia*, Broadstone, Merger Sub, Vertical, VAGL and the VAGL Shareholders.

"*Business Combination*" means the Merger, the Share Acquisition, and the other transactions contemplated by the Business Combination Agreement.

"*Closing*" means the closing of the Business Combination on December 16, 2021.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Companies Act"* means the Companies Act (as amended) of the Cayman Islands, as amended, modified, re-enacted or replaced.

"*Company Loan Note Shares*" means the 12,893 Class A ordinary shares of VAGL issued and fully paid immediately prior to the Closing in accordance with the terms of the applicable Loan Notes and a separate deed of conversion dated June 10, 2021.

"*constitutional documents*" means the formation documents of any of the entities listed herein, including the memorandum and articles of association, as they may be amended.

"*Convertible Loan Note Instrument*" means the convertible loan note instrument of VAGL dated March 11, 2021.

"*Convertible Notes Warrants*" means the 4,000,000 warrants, which are exercisable for one ordinary share each, with an exercise price of $11.50 per ordinary share (subject to adjustment), and which were issued to the Convertible Senior Secured Notes Investor immediately after Closing pursuant to the Convertible Senior Secured Notes Subscription Agreement.

"*Convertible Senior Secured Notes*" means the convertible senior secured notes due 2026 of Vertical with an aggregate principal amount of $200,000,000, which bear interest at a rate of 7.00% per annum for cash interest or 9.00% per annum paid-in-kind at the election of Vertical that is paid semi-annually.

"*Convertible Senior Secured Notes Investor*" means Mudrick Capital Management L.P., the third-party investor who subscribed for the Convertible Senior Secured Notes on behalf of certain funds, investors, entities or accounts that are managed, sponsored or advised by it or its affiliates.

"*Convertible Senior Secured Notes Subscription Agreement*" means the subscription agreement, dated October 26, 2021, entered into between Vertical, Broadstone and the Convertible Senior Secured Notes Investor, pursuant to which, among other things, Vertical agreed to issue and sell the Convertible Senior Secured Notes in a private placement that closed concurrently with the Business Combination.

"*Convertible Senior Secured Shares*" means the 28,235,810 ordinary shares, which is the aggregate of the Convertible Senior Secured Notes Shares and Convertible Senior Secured PIK Shares.

"*Convertible Senior Secured Notes Shares*" means the 18,181,820 ordinary shares into which the Convertible Senior Secured Notes are convertible pursuant to the Convertible Senior Secured Notes Subscription Agreement.

"*Convertible Senior Secured PIK Shares*" means up to 10,053,990 ordinary shares representing the total amount of PIK Interest that may be issued to the Convertible Senior Secured Notes Investor.

"*DTC*" means the Depository Trust Company.

"*Earn Out Shares*" means 35,000,000 ordinary shares issued at the Closing to the VAGL Shareholders and Loan Note Holders, which are held subject to restrictions and are subject to forfeiture until Vertical satisfies certain milestones.

"*EMI Option Agreements*" means certain option agreements entered into on March 15, 2022 between the Company and certain employees of the Company and its Subsidiaries as replacement option agreements for share options previously granted over shares in VAGL that were exchanged for options of equivalent value over ordinary shares in the Company, which options are intended to be tax qualifying enterprise management incentive options under Schedule 5 of the UK Income Tax (Earnings and Pensions) Act 2003, a form of which is filed as Exhibit 4.7 to this Annual Report.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*IFRS*" refers to International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

"*Iberojet*" means Evelop Airlines SL, a subsidiary of Avoris Corporacion Empresarial.

"*Indenture*" means the indenture governing the Convertible Senior Secured Notes as entered into between Vertical, Broadstone as guarantor, VAGL as guarantor and U.S. Bank National Association as trustee and collateral agent for the Convertible Senior Secured Notes.

"*Investment Company Act*" means the U.S. Investment Company Act of 1940, as amended.

"*IRS*" means the U.S. Internal Revenue Service.

"*JOBS Act*" means the Jumpstart Our Business Startups Act.

"*Loan Notes*" means $25,000,000 of convertible loan notes issued by VAGL to the Loan Note Holders pursuant to the Convertible Loan Note Instrument.

"*Loan Note Holders*" means Microsoft Corporation and Rocket Internet SE (each a Loan Note Holder).

"*LNH SPA*" means the share purchase deed, dated as of June 10, 2021, providing for, among other things, the sale by the Loan Note Holders at the Closing of the Company Loan Note Shares to Vertical in consideration for the issue by Vertical of 15,701,035 ordinary shares to such Loan Note Holders.

"*Marubeni*" means Marubeni Corporation.

"*Merger*" means the merger of Merger Sub with Broadstone, with Broadstone surviving such merger, prior shareholders of Broadstone receiving securities of Vertical, and Broadstone becoming a wholly owned subsidiary of Vertical.

"*Merger Sub*" means Vertical Merger Sub Ltd., a Cayman Islands exempted company.

"*NYSE*" means the New York Stock Exchange.

"*ordinary resolution*" means an ordinary resolution under Cayman Islands law, being the affirmative vote of the holders of a majority of the issued ordinary shares of the company that are present in person or represented by proxy and entitled to vote thereon and who vote at the general meeting.

"*ordinary shares*" means the ordinary shares, par value $0.0001 per share, of Vertical Aerospace Ltd., unless otherwise specified.

"*PCAOB*" means the Public Company Accounting Oversight Board. "*PFIC*" means passive foreign investment company.

"*PIK Interest*" means the 9.00% per annum paid-in-kind interest that can be paid semi-annually, at our option, and are convertible for ordinary shares due under the Convertible Senior Secured Notes.

"*PIPE*" or "*PIPE Financing*" means the sale of 9,400,000 ordinary shares to the PIPE Investors at a purchase price of $10.00 per ordinary share.

"*PIPE Investment Amount*" or "*PIPE Investment*" means the aggregate cash consideration of ninety- four million dollars ($94,000,000).

"*PIPE Investors*" means those certain investors who were party to the Subscription Agreements in connection with the PIPE Financing, which was composed of the following: (i) American; (ii) Avolon; (iii) Rolls-Royce Plc; (iv) Standard Latitude Master Fund Ltd.; (v) Honeywell International Inc.; (vi) Microsoft Corporation; (vii) Stephen Fitzpatrick; (viii) Kouros SA; and (ix) the Sponsor.

"*PIPE Shares*" means the ordinary shares received by PIPE Investors in the PIPE Financing.

"*Public Warrant Agreement*" means the warrant agreement governing the Public Warrants.

"*Public Warrants*" means the public warrants of Vertical Aerospace Ltd., each one (1) warrant of which entitles the holder thereof to purchase one (1) ordinary share.

"*Registration Rights Agreement*" means the registration rights agreement entered into by Vertical, the Sponsor, American, the Avolon Warrantholders and the VAGL Shareholders at the closing of the Merger in connection with the Business Combination.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933.

"*Senior Management*" and "*Senior Managers*" refer to those persons named as officers of Vertical in the section titled "Management.*"*

"*Share Acquisition*" means the acquisition by Vertical all of the issued share capital of VAGL in consideration for the issue to the VAGL Shareholders of ordinary shares, such that VAGL will be a direct wholly owned subsidiary of Vertical.

"*special resolution*" means a special resolution under Cayman Islands law, being the affirmative vote of the holders of at least a two-thirds (2/3) majority of the issued ordinary shares of the company that are present in person or represented by proxy and entitled to vote thereon and who vote at the general meeting.

"*Sponsor*" means Broadstone Sponsor LLP, a United Kingdom limited liability partnership.

"*Sponsor Lock-Up Agreement*" means the Lock-Up Agreement entered into by the Sponsor at the Closing in connection with the Business Combination. "*Sponsor Shares*" means the ordinary shares received by the Sponsor in exchange for Class B ordinary shares of Broadstone, which were issued to the Sponsor prior to the Broadstone Initial Public Offering, held by the Sponsor upon consummation of the Merger.

"*Subscription Agreements*" means the subscription agreements, each dated as of June 10, 2021, entered into by Broadstone, Vertical and the PIPE Investors, as amended and restated on October 26, 2021, pursuant to which the PIPE Investors have agreed to purchase an aggregate of 9,400,000 ordinary shares immediately before the Closing at a purchase price of $10.00 per share.

"*U.K.*" means the United Kingdom.

"*U.S.*" means the United States of America.

"*U.S. dollar*," "*US$*" and "*$*" mean the legal currency of the United States.

"*U.S. GAAP*" means United States generally accepted accounting principles.

"*VAGL*" means Vertical Aerospace Group Ltd., a private limited company incorporated under the laws of England and Wales, and is a wholly-owned subsidiary of Vertical Aerospace Ltd.

"*VAGL Shareholders*" means the shareholders of VAGL named as a party to the Business Combination Agreement.

"*VAGL Shareholder Lock-Up Agreement*" means the Lock-Up Agreement entered into by the VAGL Shareholders at the Closing in connection with the Business Combination.

"*VAGL Shares*" means the ordinary shares received by VAGL Shareholders in exchange for VAGL share capital as a result of the Share Acquisition.

"*Virgin Atlantic*" means Virgin Atlantic Limited.

"*Virgin Atlantic Commercial Warrant Shares*" means the ordinary shares represented by Warrant B, Warrant C and Warrant D (as such terms are defined in the Virgin Atlantic Warrant Instrument) to be issued to Virgin Atlantic in accordance with the Virgin Atlantic Warrant Instrument.

"*Virgin Atlantic Warrant Instrument*" means the warrant instrument by and between Vertical and Virgin Atlantic, dated October 29, 2021, pursuant to which, among other things, immediately after Closing, Virgin Atlantic received warrants exercisable for ordinary shares.

MARKET AND INDUSTRY DATA

This Annual Report contains estimates, projections and other information concerning our industry, including market size and growth of the market in which we participate that are based on industry publications and reports and forecasts prepared by our management. In some cases, we do not expressly refer to the sources from which these estimates and information are derived. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates.

Certain estimates of market opportunity, including internal estimates of our addressable market and forecasts of market growth included in this Annual Report may prove inaccurate. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The estimates and forecasts in this Annual Report relating to the size of our target market, market demand and adoption, capacity to address this demand and pricing may prove to be inaccurate. Our addressable market estimates may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates in this Annual Report, our business could fail to successfully address or compete in such markets, if at all. We obtained certain information from the following sources:

- Global Helicopter TAM — Worldwide; Fortune Business Insights; Statista; 2019 and 2020 ("Statista Helicopter Report");
- Global TAM Taxi, Commercial Airlines — Statista Mobility Market Outlook, 2020 ("Statista Taxi/ Commercial Airlines Report," taken together with the Statista Helicopter Report, the "Statista Reports"); and
- eVTOL/Urban Air Mobility TAM Update: A Slow Take-Off, But Sky's the Limit — Morgan Stanley Research ("Morgan Stanley").

Industry publications, research, studies and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Annual Report. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described

under Item 3.D. “Risk Factors.” These and other factors could cause results to differ materially from those expressed in any forecasts or estimates.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

This Annual Report contains references to trademarks, trade names and service marks belonging to other entities. Solely for convenience, trademarks, trade names and service marks referred to in this Annual Report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that the applicable licensor will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our financial statements have been prepared in accordance with IFRS. None of our financial statements were prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Certain monetary amounts, percentages and other figures included in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

All references in this Annual Report to "dollar," "USD" or "$" refer to U.S. dollars, the terms "£" and "GBP" refer to British pounds sterling, and the terms "euro," "EUR" or "€" refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the treaty establishing the European Community, as amended. For the convenience of the reader, in this Annual Report, unless otherwise indicated, balances from British pounds sterling into U.S. dollars were made at the rate of £1.00 to $1.35, which was the noon buying rate of the Federal Reserve Bank of New York on December 30, 2021. Such U.S. dollar amounts are not necessarily indicative of the amounts of U.S. dollars that could actually have been purchased upon exchange of British pounds sterling at the dates indicated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains estimated and forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report may be forward-looking statements. Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding the guidance as described under Item 4. "*Information on the Company*" and Item 5. "*Operating and Financial Review and Prospects*," liquidity, growth and profitability strategies and factors and trends affecting our business are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- Our limited operating history and that we have not yet manufactured any non-prototype aircraft or sold any aircraft to eVTOL aircraft customers;
- If we are unable to produce or launch aircraft in the volumes or timelines projected;
- Being an early-stage company with a history of losses, we expect to incur significant expenses and continuing losses in the foreseeable future;

- Our markets are still in relatively early stages of growth, and such markets may not continue to grow, grow more slowly than we expect or fail to grow as large as we expect;

- Our dependence on our partners and suppliers for the components in our aircraft and for our operational needs;

- Any accidents or incidents involving eVTOL aircraft, us or our competitors could harm our business;

- Our eVTOL aircraft may not be certified by transportation authorities for production and operation within the timeline projected, or at all;
- All of the pre-orders we have received for our aircraft are conditional and may be terminated at any time in writing prior to July 1, 2023 (or, in the case of American Airlines, July 1, 2025);
- Our business has grown rapidly and expects to continue to grow significantly, and any failure to manage that growth effectively could harm our business;
- We identified material weaknesses in our internal controls over financial reporting and may be unable to remediate the material weaknesses; and
- the other matters described in Item 3.D. "*Risk Factors.*"

We caution you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this Annual Report. We undertake no obligation to revise forward-looking statements to reflect future events, changes in circumstances or changes in beliefs. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear in our public filings with the SEC, which are accessible at www.sec.gov, and which you are advised to consult.

You should read this Annual Report and the documents that we reference in this Annual Report and have filed with the SEC as exhibits to this Annual Report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our securities could decline due to any of these risks, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report.

Risks Related to Our Business And Industry

We have a limited operating history and have not yet manufactured any non-prototype aircraft or sold any eVTOL aircraft to customers, and we may never develop or manufacture any eVTOL aircraft.

We have a limited operating history in the eVTOL aircraft industry, which is nascent and continuously evolving. eVTOL aircraft are currently in the developmental stage. If we are successful in commercially producing our first VX4, we do not expect to be able to do so until 2025 at the earliest, if at all. We have no experience as an organization in high volume manufacturing of eVTOL aircraft. We cannot assure you that we or our partners will be able to develop efficient, automated, cost-efficient manufacturing capabilities and processes and reliable sources of component supplies that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully mass market our eVTOL aircraft. You should consider our business and prospects in light of the risks and significant challenges we face as a new entrant into our industry, including, among other things, with respect to our ability to:

- design and produce safe, reliable and quality eVTOL aircraft on an ongoing basis;
- obtain the necessary regulatory approvals in a timely manner;
- build a well-recognized and respected brand;
- establish and expand our customer base;
- successfully service our aircraft after sales and maintain a good flow of spare parts and customer goodwill;

- improve and maintain our operational efficiency;
- predict our future revenues and appropriately budget for our expenses;
- attract, retain and motivate talented employees;
- anticipate trends that may emerge and affect our business;
- anticipate and adapt to changing market conditions, including technological developments and changes in our competitive landscape; and
- navigate an evolving and complex regulatory environment.

If we fail to adequately address any or all of these risks and challenges, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to produce or launch aircraft in the volumes and on the timelines projected.

There are significant challenges associated with mass producing aircraft in the volumes that we are projecting. We have not yet developed a manufacturing facility and planning remains at the concept stage. The aerospace industry has traditionally been characterized by significant barriers to entry, including large capital requirements, investment costs of designing and manufacturing aircraft, long lead times to bring aircraft to market from the concept and design stage, the need for specialized design and development expertise, extensive regulatory requirements, creating a brand and the need to establish maintenance and service locations. As a manufacturer of eVTOL aircraft, we face a variety of added challenges to entry that a traditional aircraft manufacturer would not encounter, including additional costs of developing and producing an electric powertrain, complexity of developing, manufacturing, and sourcing suitable materials for our batteries, regulations associated with the transport of lithium-ion batteries and unproven high-volume customer demand for a fully electric aerial mobility service. Additionally, we are developing assembly lines at volumes for which there is no precedent within the traditional aerospace industry. If we are not able to overcome these barriers, our business, prospects, operating results and financial condition will be negatively impacted, and our ability to grow our business will be harmed.

We have not yet constructed a high-volume production facility in which to manufacture and assemble our aircraft. Our manufacturing facility plans are still in process, and various aspects of the component procurement and manufacturing plans have not yet been determined. We are currently evaluating, qualifying and selecting our suppliers for the planned production aircraft. However, we may not be able to engage suppliers for the remaining components in a timely manner, at an acceptable price or in the necessary quantities.

We also have to obtain all of the necessary regulatory approvals in each of our markets in order to sell our aircraft and for our customers to operate them. We will have to obtain aircraft type certification from the United Kingdom's Civil Aviation Authority ("CAA"), the European Union Aviation Safety Agency ("EASA") and the United States Federal Aviation Authority ("FAA"), as well as local regulators in other countries where we intend to sell aircraft, and there can be no assurance that we will obtain certification of our aircraft in the time frame that we currently expect, or at all, which would impact our overall timetable to produce our aircraft. Should there be any delays to our projected production timetables, this could have a material effect on our ability to deliver any orders to our customers, which could have a material adverse effect on our relationships with our current and existing customers and adversely affect our reputation. We also will be required to obtain and maintain a Design Organisation Approval ("DOA") and a Production Organisation Approval ("POA") from the CAA in order to be able to manufacture aircraft pursuant to an approved type design (e.g., type certificate). Securing and maintaining a DOA and POA will involve extensive ongoing oversight by the CAA of our team, company capabilities, processes and production facilities. If we are unable to obtain and maintain a DOA or POA, or the CAA imposes unanticipated restrictions as a condition of approval, our projected costs of production could increase substantially and ultimately we may be unable to commercialize our aircraft.

Securing our DOA and POA, and the timing of our production ramp up, are dependent upon finalizing certain aspects of the design, engineering, component procurement, testing, build out and manufacturing plans in a timely

manner and upon our ability to execute these plans within the current timeline. We intend to fund the build out of this manufacturing facility using existing cash, cash from the Business Combination and future financing opportunities. If we are unable to obtain the funds required on the timeline that we anticipate, our plans for building our manufacturing plants could be delayed which may adversely affect our business, financial condition and operating results.

While we are aiming to achieve certification during 2025, there can be no assurance that we will be able to achieve certification on our projected timeline or at all, which would have a material adverse effect on our ability to produce our aircraft and meet our customers' demands, any of which would have a material adverse effect on our reputation, business, financial condition and results of operations.

We are a pre-revenue, early-stage company with a history of losses, and we expect to incur significant expenses and continuing losses for the foreseeable future.

We are a pre-revenue, early-stage company that has incurred losses in the operation of our business related to research and development activities since inception. We anticipate that our expenses will increase and that we will continue to incur losses in the future until at least the time we begin commercial manufacturing of our aircraft, which is not expected to occur before 2025. Even if we are able to successfully develop and sell our aircraft, there can be no assurance that the aircraft will be commercially successful and achieve or sustain profitability.

We expect the rate at which we will incur losses to be significantly higher in future periods as we, among other things, certify and assemble our aircraft, deploy our facilities, build up inventories of parts and components for our aircraft, increase our sales and marketing activities, develop our manufacturing infrastructure and increase our general and administrative functions to support our growing operations. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenue, which would further increase our losses.

The markets for our offerings are still in relatively early stages of growth, and if such markets do not continue to grow, grow more slowly than we expect or fail to grow as large as we expect, our business, financial condition and results of operations could be harmed.

The market for eVTOL aircraft is still in a relatively early stage, and our success in these markets is dependent upon our ability to effectively market and sell advanced air mobility as a substitute for conventional methods of transportation and the effectiveness of our other marketing and growth strategies. If the public does not perceive advanced air mobility as beneficial, or chooses not to adopt advanced air mobility as a result of concerns regarding safety, affordability or for other reasons, then the market for our offerings may not further develop, may develop more slowly than we expect or may not achieve the growth potential we expect, any of which could harm our business, financial condition and results of operations.

Our suppliers and partners for the parts and components in our aircraft are an important part of our business model, and any interruptions, disagreements or delays could have a material adverse effect on our business, results of operations and financial condition.

Our suppliers and partners, some of whom are currently single source suppliers for certain components, are a key part of our business model in order to manufacture our aircraft. Our supplier and partner base is located globally, and we strategically partnered with what we believe to be industry leaders in order to supply the highest quality components for our aircraft. Many of the components used in our aircraft are being custom made for us, including our flight controls systems, engine, avionics systems and software, all of which are currently being developed with our partners. This supply chain exposes us to multiple potential sources of delivery failure or component shortages for our aircraft, most of which are out of our control, including shortages of, or disruptions in the supply of, the raw materials used by our partners in the manufacture of components, disruptions to our partners' workforce (such as strikes or labor shortfalls) and disruptions to, or capacity constraints affecting, shipping and logistics.

While we believe that we may be able to establish alternate supply relationships and can obtain replacement components, we may be unable to do so in the short term or at all at prices that are acceptable to us or may need to recertify components. We may experience source disruptions in our or our partners' supply chains, which may cause delays in our overall production process for both prototype and commercial production aircraft. We are also, in some cases, subject to key suppliers for certain pieces of manufacturing equipment for which we rely on, or may be reliant on to achieve our projected high-volume production numbers. For example, we expect to procure electric motors primarily from Rolls-Royce, and our flight control system and avionics systems primarily from Honeywell. If we needed to find alternative suppliers for any of the key components of our aircraft, then this could increase our costs and adversely

affect our ability to receive such components on a timely basis, or at all, which could cause significant delays in our overall projected timelines for the delivery of our aircraft and adversely affect our relationships with our customers.

In addition, if we experience a significant increase in demand, or need to replace our existing suppliers, there can be no assurance that additional suppliers of component parts will be available when required on terms that are acceptable to us, or at all, or that any supplier would allocate sufficient supplies to us in order to meet our requirements or fill our orders in a timely manner. Further, if we are unable to manage successfully our relationships with all of our suppliers and partners, the quality and availability of our aircraft may be harmed. Our suppliers or partners could, under some circumstances, decline to accept new purchase orders from, or otherwise reduce their business with, us. Any disruptions in the supply of components from our suppliers and partners could lead to delays in aircraft production, which would materially adversely affect our business, financial condition and operating results.

Further, if any conflicts arise between our suppliers or partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our business strategies, which could impact our projected production timelines and number of aircraft produced. Our suppliers or partners may also develop, either alone or with others, products in related fields that are competitive with our products as a result of any conflicts or disagreements. Any disagreements or conflicts with our suppliers or partners could have an adverse effect on our reputation, which could also negatively impact our ability to source new suppliers or partners.

Also, given the nascent state of the electric aviation industry in comparison to the relatively well established electric automotive industry, we, and the electric aviation industry as a whole, have limited influence over the specifications of certain components manufactured by our suppliers (in particular, certain components used to manufacture our batteries). If such suppliers change the specification of key components required for our aircraft, we may be required to renew our certification or redesign our aircraft. This could have a material adverse impact on our business, and there can be no guarantee that such redesign and re-certification could be achieved on a timely basis, or at all.

Any changes in business conditions, wars (including the ongoing war between Russia and Ukraine), governmental changes, political intervention and other factors beyond our control or which we do not presently anticipate, could also affect our partners' and suppliers' abilities to deliver components to us on a timely basis, which could have a material adverse effect on our overall timelines to produce our aircraft. We do not control our suppliers or partners or such parties' labor and other legal compliance practices, including their environmental, health and safety practices. If our current suppliers or partners, or any other suppliers or partners which we may use in the future, violates any specific laws or regulations, we may be subjected to extra duties, significant monetary penalties, adverse publicity, the seizure and forfeiture of products that we are attempting to import or the loss of our import privileges. The effects of these factors could render the conduct of our business in a particular country undesirable or impractical and have a negative impact on our business, financial condition and results of operations.

Accidents or incidents involving eVTOL aircraft, us or our competitors could have a material adverse effect on our business, financial condition and results of operations.

Test flying prototype aircraft is inherently risky, and accidents or incidents involving our aircraft are possible. Any such occurrence would negatively impact our development, testing and certification efforts, and could result in re-design, certification delay and/or postponements or delays to the sales of our aircraft.

The operation of aircraft is subject to various risks, and we expect demand for our aircraft to be impacted by accidents or other safety issues regardless of whether such accidents or issues involve our aircraft. Such accidents or incidents could also have a material impact on our ability to obtain certification from the CAA, EASA, and/or FAA for our aircraft, or to obtain such certification in a timely manner. Such events could impact confidence in a particular aircraft type or the air transportation services industry as a whole, particularly if such accidents or disasters were due to a safety fault. We believe that regulators and the general public are still forming their opinions about the safety and utility of aircraft that are highly reliant on lithium-ion batteries and/or advanced flight control software capabilities. An accident or incident involving either our aircraft or a competitor's aircraft during these early stages of opinion formation could have a disproportionate impact on the longer-term view of the emerging AAM market.

There may be heightened public skepticism of this nascent technology and its adopters. In particular, there could be negative public perception surrounding eVTOL aircraft, including the overall safety and the potential for injuries or death occurring as a result of accidents involving eVTOL aircraft, regardless of whether any such safety

incidents involve our aircraft. Any of the foregoing risks and challenges could adversely affect Vertical's prospects, business, financial condition and results of operations.

We are at risk of adverse publicity stemming from any public incident involving our company, our people, our brand or other companies in our industry. Such an incident could involve the actual or alleged behavior of any of our employees or third-party contractors. Further, if our personnel, our aircraft or other types of aircraft are involved in a public incident, accident, catastrophe or regulatory enforcement action, we could be exposed to significant reputational harm and potential legal liability. The insurance we carry may be inapplicable or inadequate to cover any such incident, accident, catastrophe or action. In the event that our insurance is inapplicable or inadequate, we may be forced to bear substantial losses from an incident or accident. In addition, any such incident, accident, catastrophe or action involving our employees, our aircraft or other types of aircraft could create an adverse public perception, which could harm our reputation, result in passengers being reluctant to use our services and adversely impact our business, results of operations and financial condition.

Our eVTOL aircraft may not be certified by transportation authorities on the timeline projected, which could adversely affect our prospects, business, financial condition and results of operations.

eVTOL aircraft involve a complex set of technologies, which we and our partners and suppliers must continue to develop and rely on independent third-party aircraft operators to adopt. However, before eVTOL aircraft can fly passengers, the aircraft must receive requisite approvals from the relevant authorities. No eVTOL aircraft are currently certified by the CAA, EASA or FAA for commercial operations, and there is no assurance that our research and development will result in government-certified aircraft that are market-viable or commercially successful in a timely manner, or at all. In order to gain government certification, the safety of our eVTOL aircraft must be proven, which cannot be assured. Even if eVTOL aircraft are certified, individual operators must conform eVTOL aircraft to their licenses and air operator certificates, which requires CAA, EASA and FAA approval, and individual pilots also must be licensed and approved by the CAA, EASA and/or FAA, as applicable, to fly eVTOL aircraft, which could contribute to delays in any widespread use of eVTOL aircraft and potentially limit the number of eVTOL aircraft operators available to purchase our aircraft.

All of the pre-orders we have received for our aircraft are conditional and may be terminated at any time in writing prior to July 1, 2023 (or, in the case of American Airlines, July 1, 2025). If these orders are cancelled, modified, delayed or not placed in accordance with the terms agreed with each party, our business, results of operations, liquidity and cash flow will be materially adversely affected.

All of the pre-orders we have received to date are conditional, and certain of these pre-orders are subject to the occurrence of certain agreed upon conditions with the respective parties, including that all such pre-orders may be terminated in writing by either party prior to July 1, 2023 (or, in the case of American Airlines, July 1, 2025). We have received pre-orders for up to 1,350 aircraft as of the date of this Annual Report, which includes pre-orders from:

- Avolon for up to 310 aircraft (with an option to purchase an additional 190);
- American Airlines for up to 250 aircraft (with an option to purchase an additional 100);
- Bristow for up to 25 aircraft (with an option to purchase an additional 25);
- Iberojet for up to 20 (with an option to purchase an additional 80);
- Pre-order option for Marubeni for up to 200 aircraft; and
- Pre-order option for Virgin Atlantic for up to 150 aircraft.

All pre-orders are subject to the execution of a master purchase agreement between us and each party that contains the final terms for the purchase of our aircraft, including, but not limited to, the final number of aircraft to be purchased and the timing for delivery of the aircraft. Such master purchase agreement must be executed prior to certain dates agreed upon with each party, which shall not be later than July 1, 2023 (or, in the case of American Airlines, July 1, 2022).

Each of Avolon, American Airlines, Bristow, Iberojet, Marubeni and Virgin Atlantic have agreed to our ordinary course terms and conditions contained in our standard memorandum of understanding, subject to specific agreed upon conditions precedent with each party. The summary of such differing terms are as follows:

- There are no special conditions placed upon the pre-orders from Avolon.

- If the purchase agreement with American Airlines is executed, the pre-orders from American Airlines will be subject to certain conditions, including at minimum: no uncured breach by either party; we and American Airlines reaching full agreement in writing on all terms in a purchase agreement that is subject to negotiation by the parties; no regulatory impediments or other impediments to the full operability of the aircraft for commercial revenue flight operations or the ability of the parties to consummate the transactions contemplated by such purchase agreement; the purchase agreement having been approved by American's board of directors or other relevant authority; and any other conditions precedent that may be mutually agreed by the parties. Our memorandum of understanding with American Airlines may be terminated if any of the following occurs: either party providing written notice requesting termination after the closing of the PIPE but prior to the execution of a purchase agreement; upon the execution of a purchase agreement; upon the commencement of material litigation or the filing of an injunction against us or our affiliates relating to intellectual property, technology or design of the aircraft and which has a reasonable prospect of success as determined by an independent third-party law firm selected by American Airlines; or on July 1, 2022.

- The pre-orders from Bristow are subject to the conditions that we and Bristow develop a joint working group with agreed upon activities and we and Bristow enter into a master purchase agreement no later than December 1, 2021.

- The pre-orders from Iberojet are subject to the condition that we create a joint working group with Iberojet to explore opportunities in certain agreed upon regions in which Iberojet operates. Subject to the satisfactory completion of such research, the parties will agree a letter of intent that will contain the final terms for the purchase of aircraft, which must be approved by Iberojet's parent company's board of directors, and then we and Iberojet must execute a master purchase agreement no later than 180 days from September 16, 2021, the date of execution of the memorandum of understanding with Iberojet.

- The pre-order option from Marubeni is subject to the condition that we and Marubeni execute a master purchase agreement within 12 months of September 2, 2021, the date of our memorandum of understanding with Marubeni.

- There are no special conditions placed upon the pre-order option from Virgin Atlantic.

The obligations of each of Avolon, American Airlines, Bristow, Iberojet, Marubeni and Virgin Atlantic to consummate the order will arise only after all of such material terms are agreed in the discretion of each party. As a result, there can be no assurance that Avolon, American Airlines, Bristow, Iberojet, Marubeni and/or Virgin Atlantic will place a sufficient number of orders, if any at all, for our aircraft, which could adversely affect our business, prospects and results of operations. If any of these orders are cancelled, modified or delayed, or otherwise not consummated, or if we are otherwise unable to convert our strategic relationships into sales revenue, our business, results of operations, liquidity and cash flow will be affected.

Our aircraft may not perform at the level we expect on the timelines projected and may have potential defects, such as higher than expected noise profile, lower payload than initially estimated, shorter range and/or shorter useful lives than we anticipate.

Our aircraft may not perform at the level we expect on the timelines projected or may contain defects in design and manufacture that may cause them not to perform as expected or that may require repair. For example, our aircraft may have a higher noise profile than we expect, carry a lower payload or have shorter maximum range than we estimate. Our aircraft will also use a substantial amount of software code to operate. Software products are inherently complex and often contain defects and errors when first introduced.

While we have performed, and will continue to perform, extensive testing, it is not possible to fully replicate every operating condition and validate the long-term durability of every aspect of our aircraft prior to its use in service. In some instances, we may need to continue to rely upon projections and models to validate the projected performance of our aircraft over their lifetime. Therefore, similar to most aerospace products, there is a risk that our aircraft may suffer unforeseen faults, defect or other issues in service. Such faults, defects and other issues may require significant additional research and development to rectify and could involve suspension of operation of our aircraft until any such defects can be cured. There can be no assurance that such research and development efforts would result in viable products or cure any such defects. Obtaining the necessary data and results may take longer than planned or may not be obtained at all. Any such delays or setbacks could have a material adverse effect on our reputation and our ability to achieve our projected timelines and financial goals.

We expect to introduce new and additional features and capabilities to the aircraft and our service over time. For example, while we intend for our aircraft to be capable of operating under instrument flight rules ("IFR") from the date of their manufacture, they may initially operate either fully or partially under visual flight rules, as operation under IFR is likely to require further testing and certification and may potentially require revisions to the IFR to accommodate eVTOL technology. We may be unable to test and have the aircraft certified in a timely manner, or at all, and any necessary revisions to the IFR may not take place in a timely manner, or at all.

Further, some components of our aircraft may have a lower performance life than we initially expected, such as the life of our batteries, which could have a material adverse effect on our supply chain and our ability to provide aircraft to our customers on the projected timelines.

Any product defects or any other failure of our aircraft to perform as expected could harm our reputation and result in adverse publicity, delays in or inability to obtain certification, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand and reputation, and significant warranty and other expenses and could have a material adverse impact on our business, financial condition and results of operations.

Certain of our strategic, development and deployment arrangements could be terminated or may not materialize into long-term contract partnership arrangements and may restrict or limit us from developing our aircraft with or providing services to other strategic partners.

We have agreements with strategic, development and deployment partners and collaborators. Some of these arrangements are evidenced by memoranda of understanding, letters of intent, early stage agreements, some of which are non-binding, that are used for design and development purposes but will require further negotiation at later stages of development or production or master agreements that have yet to be implemented under separately negotiated statements of work, each of which could be terminated or may not materialize into next-stage contracts or long-term contract partnership arrangements. In addition, we do not currently have arrangements in place that will allow us to fully execute our business plan, including, without limitation, final supply and manufacturing agreements. Moreover, existing or future arrangements may contain limitations on our ability to enter into strategic, development and deployment arrangements with other partners. If we are unable to maintain such arrangements and agreements, or if such agreements or arrangements contain other restrictions from, or limitations on, developing aircraft with other strategic partners, our business, financial condition and operating results could be materially and adversely affected.

We intend to grow our business rapidly and expect to expand our operations significantly. Any failure to manage our growth effectively could adversely affect our business, prospects, operating results and financial condition.

Any failure to manage our growth effectively could materially and adversely affect our business, operating results and financial condition. We intend to expand our operations significantly. We expect our future expansion to include:

- expanding the management team;
- hiring and training new personnel;
- leveraging consultants to assist with our growth and development;

- forecasting production and revenue;
- controlling expenses and investments in anticipation of expanded operations;

- establishing or expanding design, production, sales and service facilities; and
- implementing and enhancing administrative infrastructure, systems and processes.

We intend to continue to hire a significant number of additional personnel, including software engineers, design and production personnel and service technicians for our aircraft. Because our eVTOL aircraft are based on a different technology platform from traditional internal combustion engines, individuals with sufficient training in eVTOL aircraft may not be available to hire, and as a result, we will need to expend significant time and expense training any newly hired employees. Competition for individuals with experience designing, producing and servicing electric aircraft and their software is intense, and we may not be able to attract, integrate, train, motivate or retain additional highly qualified personnel. The failure to attract, integrate, train, motivate and retain these additional employees could seriously harm our business, financial condition and operating results.

Our ability to effectively manage growth and expansion of our operations will also require us to enhance our operational systems, internal controls and infrastructure, human resources policies and reporting systems. These enhancements will require significant capital expenditures and allocation of valuable management and employee resources.

We are dependent on our senior management team and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our success depends, in significant part, on the continued services of our senior management team and on our ability to attract, motivate, develop and retain a sufficient number of other highly skilled personnel, including engineering, finance, marketing, sales, and technology and support personnel. The loss of any one or more members of our senior management team, for any reason, including resignation or retirement, could impair our ability to execute our business strategy and harm our business, financial condition and results of operations. Additionally, our financial condition and results of operations may be adversely affected if we are unable to attract and retain skilled employees to support our operations and growth.

If we are unable to establish and maintain confidence in our long-term business prospects among customers and analysts and within our industry, or if we are subject to negative publicity, then our financial condition, operating results, business prospects and access to capital may suffer materially.

Customers may be less likely to purchase our aircraft if they are not convinced that our business will succeed or that our service and support and other operations will continue in the long term. Similarly, partners, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, in order to build and maintain our business, we must maintain confidence among customers, suppliers, analysts, ratings agencies and other parties in our aircraft, long-term financial viability and business prospects. Maintaining such confidence may be particularly complicated by certain factors including those that are largely outside of our control, such as our limited operating history, customer unfamiliarity with eVTOL aircraft, any delays in scaling production, delivery and service operations to meet demand, competition and uncertainty regarding the future of electric aircraft, including our electric aircraft and our production and sales performance compared with market expectations.

Our aircraft utilization may be lower than expected, and our aircraft may be limited in its performance during certain weather conditions.

Our aircraft, when produced, may not be able to fly safely in poor weather conditions, including snowstorms, thunderstorms, lightning, hail, known icing conditions and/or fog. This inability to operate in these conditions could reduce our aircraft utilization and cause delays and disruptions in the services provided by our customers and partners. Aircraft utilization is reduced by delays and cancellations from various factors, many of which are beyond our control, including adverse weather conditions, security requirements, air traffic congestion and unscheduled maintenance events. The success of our business is dependent, in part, on the utilization rate of our aircraft by our customers and reductions

in utilization may adversely impact the expected sales of our aircraft and aftermarket service revenue, therefore, our financial performance and results of operations.

Our aircraft may require maintenance at frequencies or at costs that are unexpected and could adversely impact the estimated prices for those maintenance services that we sell in connection with our aircraft.

Our aircraft, when they are produced, are anticipated to be highly technical products that will require maintenance and support. We are still developing our understanding of the long-term maintenance profile of the aircraft, and if useful lifetimes are shorter than expected, this may lead to greater maintenance costs than previously anticipated. If our aircraft and related equipment require maintenance more frequently than we plan for or at costs that exceed our estimates, that would have an impact on the sales of our aircraft and have a material adverse effect on our business, financial condition and results of operations.

Our competitors may commercialize their technology before us, either in general or in specific markets.

While we expect to be one of the pioneering companies to market eVTOL aircraft, we expect this industry to be increasingly competitive, and it is possible that our competitors could get to market before us, either generally or in specific markets. Even if we are first to market, we may not fully realize the benefits we anticipate, and we may not receive any competitive advantage or may be overcome by other competitors. If new companies or existing aerospace companies launch competing solutions in the markets in which we intend to operate and/or obtain large scale capital investment, we may face increased competition.

Additionally, our competitors may benefit from our efforts in developing consumer and community acceptance for eVTOL aircraft, making it easier for them to obtain the permits and authorizations required to sell the aircraft in the markets in which we intend to sell or in other markets. In the event we do not capture the early-mover advantage that we anticipate, it may harm our business, financial condition, operating results and prospects.

Many of our current and potential competitors are larger and have substantially greater resources than we have and expect to have in the future. They may also be able to devote greater resources to the development of their current and future technologies or the promotion and sale of their offerings, or offer lower prices. In particular, our competitors may be able to obtain the relevant certification and approvals for their aircraft before us. Our current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings. Further, it is possible that domestic or foreign companies or governments, some with greater experience in the aerospace industry or greater financial resources than we possess, will seek to provide products that compete directly or indirectly with ours in the future.

We currently target many customers, suppliers and partners that are large corporations with substantial negotiating power and exacting product, quality and warranty standards. If we are unable to sell our products to these customers on satisfactory terms, our prospects and results of operations will be adversely affected.

Many of our potential customers, and current and potential suppliers and partners are large, multinational corporations with substantial negotiating power relative to us and, in some instances, may have internal solutions that are competitive to our products. These large, multinational corporations also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies.

Meeting the technical requirements and securing design wins with any of these companies will require a substantial investment of our time and resources. We cannot assure you that our products will secure design wins from these or other companies or that we will generate meaningful revenue from the sales of our aircraft to these key potential customers. If our aircraft are not selected by these large corporations or if these corporations develop or acquire competitive technology, this may have an adverse effect on our business.

There may be a shortage of pilots and mechanics who meet the training standards required, which could reduce our ability to sell our aircraft at scale and on the timelines contemplated.

There is a shortage of pilots that is expected to exacerbate over time as more pilots in the industry approach mandatory retirement age. Similarly, trained and qualified aircraft and aviation mechanics with a variety of different skills, including battery maintenance and dealing with high voltage electrical systems, are also in short supply. This will affect the aviation industry, including AAM services and more specifically, our business.

Our service is dependent on recruiting mechanics qualified to perform the requisite maintenance activities, which may be difficult due to the corresponding personnel shortages. If we are unable to hire, train, and retain qualified mechanics, our business could be harmed, and we may be unable to implement our growth plans.

We may encounter obstacles outside of our control that slow market adoption of eVTOL aircraft or aerial rideshares, such as regulatory requirements or infrastructure limitations.

Our growth is highly dependent upon the adoption of electric aircraft by customers in the aviation industry, as well as consumers who will travel in the aircraft. The target demographics for our aircraft are highly competitive. If the market for electric aircraft does not develop at the rate or in the manner or to the extent that we expect, or if critical assumptions we have made regarding the efficiency of our electric aircraft are incorrect or incomplete, our business, prospects, financial condition and operating results will be harmed. The fleet market for electric aircraft is new and untested and is characterized by rapidly changing technologies, price competition, numerous competitors, evolving government regulation and industry standards and uncertain customer demands and behaviors.

If we experience harm to our reputation and brand, our business, financial condition and results of operations could be adversely affected.

Continuing to increase the strength of our reputation and brand for high-performing, sustainable, safe and cost-effective advanced air mobility is critical to our ability to attract and retain customers and partners. In addition, our growth strategy includes international expansion through joint ventures or other partnerships with local companies that would benefit from our reputation and brand recognition. The successful development of our reputation and brand will depend on a number of factors, many of which are outside our control. Negative perception of our aircraft or company may harm our reputation and brand, including as a result of:

- complaints or negative publicity or reviews about us, independent third-party aircraft operators, fliers or other brands or events that we associate with, even if factually incorrect or based on isolated incidents;
- changes to our operations, safety and security or other policies that customers, end-users or others perceive as overly restrictive, unclear or inconsistent with our values;
- illegal, negligent, reckless or otherwise inappropriate behavior by fliers, independent or other third parties involved in the operation of our business or by our management team or other employees;
- actual or perceived disruptions or defects in our aircraft;
- litigation over, or investigations by regulators into, our operations or those of our independent third-party aircraft operators;
- a failure to operate our business in a way that is consistent with our values;
- negative responses by independent third-party aircraft operators or fliers to new mobility offerings; or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry as a whole.

Any of the foregoing could adversely affect our business, financial condition and results of operations.

Customer and consumer perception of us and our reputation may be impacted by the broader industry, and customers may not differentiate our aircraft from our competitors.

Potential customers and consumers may not differentiate between us and the broader aviation industry or, more specifically, the AAM service industry. If our competitors or other participants in this market have problems in a wide range of issues, including safety, technology development, engagement with aircraft certification bodies or other regulators, engagement with communities, target demographics or other positioning in the market, security, data privacy, flight delays, or bad customer service, such problems could impact the public perception of the entire industry, including our business. We may fail to adequately differentiate our brand, our services and our aircraft from others in the market which could impact our ability to attract passengers or engage with other key stakeholders. The failure to differentiate

ourselves and the impact of poor public perception of the industry could have an adverse impact on our business, financial condition, and results of operations.

We are subject to risks related to health epidemics and pandemics, including the ongoing COVID-19 pandemic, which could adversely affect our business and operating results.

We face various risks related to public health issues, including epidemics, pandemics and other outbreaks, including the ongoing COVID-19 pandemic. The effects and potential effects of COVID-19, including, but not limited to, its impact on general economic conditions, trade and financing markets, changes in customer behavior and continuity in business operations creates significant uncertainty. The spread of COVID-19 also disrupted the manufacturing, delivery and overall supply chain of aircraft manufacturers and suppliers, and has led to a global decrease in aircraft sales in markets around the world. In particular, the COVID-19 crisis may cause a decrease in demand for our aircraft if our customers delay purchases of aircraft generally, an increase in costs resulting from our efforts to mitigate the effects of COVID-19, delays in our schedule to full commercial production of electric aircraft and disruptions to our supply chain, among other negative effects.

The pandemic has resulted in government authorities implementing many measures to contain the spread of COVID-19, including travel bans and restrictions, quarantines, shelter-in-place and stay-at-home orders and business shutdowns. These measures may be in place for a significant period of time and may be reinstituted if conditions deteriorate, which could adversely affect our start-up and manufacturing plans. Measures that have been relaxed may be re-implemented if COVID-19 continues to spread. If, as a result of these measures, we have to limit our number of employees at a given time, this could cause a delay in tooling efforts or in the production schedule of our electric aircraft. Further, our sales and marketing activities may be adversely affected due to the cancellation or reduction of in-person sales activities, meetings, events and conferences. If our workforce is unable to work effectively, including due to illness, quarantines, government actions or other restrictions in connection with COVID-19, our operations will be adversely affected.

The extent to which the COVID-19 pandemic may continue to affect our business (including our ability to test aircraft and the ability of regulators to certify our aircraft) will depend on continued developments, which are uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, we may continue to suffer an adverse effect to our business due to the global economic effects, including any economic recession.

In order to reach production for our aircraft, we need to develop complex software and technology systems in coordination with our partners and suppliers, and there can be no assurance such systems will be successfully developed.

We anticipate that our aircraft will use a substantial amount of sophisticated software and hardware to operate. The development of such advanced technologies is inherently complex, and we will need to coordinate with our partners and suppliers in order to reach production for our aircraft. Defects and errors may be revealed over time and our control over the performance of third-party services and systems may be limited. Thus, our potential inability to develop the necessary software and technology systems may harm our competitive position.

We are relying on third-party partners to develop a number of emerging technologies for use in our products. These technologies are not today, and may not ever be, commercially viable. There can be no assurances that our partners will be able to meet the technological requirements, production timing, and volume requirements to support our business plan. In addition, the technology may not comply with the cost, performance useful life and warranty characteristics that we anticipate in our business plan. As a result, our business plan could be significantly adversely impacted, and we may incur significant liabilities under warranty claims, which could adversely affect our business, prospects, and results of operations.

Any material disruption in our information systems could adversely affect our business.

We rely on information technology networks and systems to operate and manage our business. Our information technology networks and systems will process, transmit and store personal and financial information, proprietary information of our business, allow us to coordinate our business across our operation bases and allow us to communicate with our employees and externally with customers, suppliers, partners and other third parties. While we believe we take reasonable steps to secure these information technology networks and systems, and the data processed, transmitted and stored thereon, such networks, systems and data may be susceptible to cyberattacks, viruses, malware or other unauthorized access or damage (including by environmental, malicious, or negligent acts), which could result in unauthorized access to, or the release and public exposure of, our proprietary information. Our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, systems failures, computer viruses, external and internal security breaches or other security incidents and external factors, such as trade wars, political tensions or armed conflicts including the conflict between Russia and Ukraine that could make it more difficult for us to access information stored in other countries. Our third-party information technology providers are also subject to these risks, which could impact our ability to access these systems and any data outside of our physical control. Any of the foregoing could cause substantial harm to our business, require us to make notifications to governmental authorities, or the media, and could result in litigation, investigations or inquiries by government authorities, or subject us to penalties, fines and other losses relating to the investigation and remediation of such an attack or other unauthorized access or damage to our information technology systems and networks.

If we are unable to obtain and maintain adequate facilities and infrastructure, we may be unable to develop and manufacture the aircraft as expected.

In order to develop and manufacture our aircraft, we must be able to obtain and maintain adequate facilities and infrastructure. We intend to develop our initial final assembly facility in the United Kingdom. We may be unsuccessful in obtaining, developing and/or maintaining these facilities in a commercially viable manner. Even if we are able to begin assembly operations in these facilities, maintenance of these facilities will require considerable capital expenditure as we expand operations. We cannot provide any assurance that we will be successful in obtaining and maintaining adequate facilities and infrastructure, and any failure to do so may result in our inability to develop and manufacture our aircraft as expected or on the timelines projected, which would adversely affect our business, financial condition and results of operations.

Our aircraft and the facilities that manufacture them may not be operable due to natural disaster, permitting or other external factors.

Natural disasters, including wildfires, tornadoes, hurricanes, floods and earthquakes and severe weather conditions, such as heavy rains, strong winds, dense fog, blizzards or snowstorms, may damage our facilities or aircraft. Severe weather conditions, such as rainfall, snowfall, fog, mist, freezing conditions or extreme temperatures, may also impact the ability for flights to occur as planned, which could reduce our customers' revenue and profitability and demand for our aircraft as a result, and cause passengers to view our aircraft as less reliable. Any of the foregoing could have an adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with climate change, including the potential increased impacts of severe weather events on our operations and infrastructure.

The potential physical effects of climate change, such as increased frequency and severity of storms, floods, fires, fog, mist, freezing conditions, sea-level rise and other climate-related events, could affect the operations of third-party operators, and therefore, our operations and financial results. We could incur significant costs to improve the climate resiliency of our aircraft and otherwise prepare for, respond to and mitigate such physical effects of climate change. We are not able to accurately predict the materiality of any potential losses or costs associated with the physical effects of climate change.

Market and regulatory trends to reduce climate change may not evolve in the direction and within the timing expected, which could have a negative impact in our business plan.

A number of governments globally have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels and energy efficiency is becoming more stringent and is gaining more widespread market approval, as consumers expect companies to play a role in addressing climate change. Our aircraft operate on electricity and are designed to produce zero carbon emissions. We expect that market and regulatory trends favoring such "clean" energy and addressing climate change will continue to evolve in our favor. However, any change or reversal in such market and regulatory trends, such as less focus on climate-friendly solutions or less stringent legislation with respect to emissions, could result in lower demand for our eVTOL aircraft and have an adverse effect on our business.

As we expand into new territories, we may encounter stronger market resistance than we currently expect, including from incumbent competitors in those territories.

We may face risks associated with any potential international expansion of our operations into new territories, including possible unfavorable regulatory, political, tax and labor conditions, which could harm our business. In addition, in certain of these markets, we may encounter incumbent competitors with established technologies and customer bases, lower prices or costs and greater brand recognition. We anticipate having international operations and subsidiaries that are subject to the legal, political, regulatory and social requirements and economic conditions in these jurisdictions. However, we have no experience to date selling and servicing our aircraft internationally, and such expansion would require us to make significant expenditures, including the hiring of local employees and establishing facilities, in advance of generating any revenue. We will be subject to a number of risks associated with international business activities that may increase our costs, impact our ability to sell our electric aircraft and require significant management attention. If we fail to successfully address these risks, our business, prospects, financial condition and operating results could be materially harmed.

The intended initial operations of our customers may be concentrated in a small number of metropolitan areas and airports, which could indirectly make our business particularly susceptible to natural disasters, outbreaks and pandemics, growth constraints, economic, social, weather and regulatory conditions or other circumstances affecting these metropolitan areas.

We intend to initially sell to customers that will service larger metropolitan areas, and these sales will be the primary source of the majority of our revenue. As a result, our business and financial results may be susceptible to natural disasters, wars, outbreaks and pandemics, growth constraints, economic, social, weather and regulatory conditions or other circumstances applicable to metropolitan areas. In addition, any changes to local laws or regulations within key metropolitan areas that affect our customers' ability to operate our aircraft in these markets could have an adverse effect on our business, financial condition and operating results.

Disruption of operations at vertiports, whether caused by labor relations, utility or communications issues or power outages could cause our customers to reduce the number of aircrafts that they order or to cancel their orders entirely. Certain airports may regulate our flight operations, such as limiting the number of landings per year, which could reduce our customers' ability to operate as many aircraft as they originally forecast, which in turn could lead to a reduction in orders of our aircraft. In addition, demand for our customers' advanced air mobility services could be impacted if drop-offs or pick-ups of fliers become inconvenient because of airport rules or regulations, or more expensive for fliers because of airport-imposed fees, which would adversely affect our business, financial condition and operating results.

We will rely on the existing vertiport network developed by third parties. The ability of such networks to support high-volume eVTOL service and our aircraft could have an adverse effect on the use of our aircraft and our expected growth potential.

In order to use our aircraft, our customers will require adequate landing infrastructure. As airports and heliports around the world become more congested, it may not be possible to ensure that our customers' plans can be implemented in a commercially viable manner given infrastructure constraints, including those imposed by inadequate

facilities at desirable locations. Access to airports, heliports and vertiports may be prohibitively expensive, not available at all, or may be inconsistent with our projections. Our customers' advanced air mobility service will depend on the ability to develop and operate vertiports in desirable locations in metropolitan locations. Developing and operating vertiport locations will require permits and approvals from international, national and local regulatory authorities and government bodies and our customers' ability to operate their service will depend on such permits and approvals. We cannot predict whether our customers will receive such permits and approvals or whether they will receive them in a timely manner. If any of our current or future customers are prohibited, restricted or delayed from developing and operating desirable vertiport locations, our business could be adversely affected.

The current conditional pre-orders and future sale orders of our aircraft may be subject to indexed price escalation clauses, which could subject us to losses if we have cost overruns or if increases in costs exceed the applicable escalation rate.

Aircraft sales contracts are often entered into years before the aircraft are delivered. In order to help account for economic fluctuations between the contract date and delivery date, aircraft pricing in such master purchase agreements may include price escalation clauses to account for cost increases from labor, commodity and other price indices. Our revenue estimates are based on current expectations with respect to these escalation formulas, but the actual escalation amounts are outside of our control. Escalation factors can fluctuate significantly from period to period and changes in escalation amounts can significantly impact revenues and operating margins in our eVTOL business. We can make no assurance that any customer, current or future, will exercise purchase options, fulfill existing purchase commitments or purchase additional products or services from us. The terms and conditions of the pre-orders regarding price escalation clauses are yet to be determined, and there is no assurance that they will be determined in a manner that will mitigate the risks described above.

We are subject to laws and regulations concerning our collection, processing, storage, sharing, disclosure and use of customer information and other sensitive data, and our actual or perceived failure to comply with data privacy and security laws and regulations could damage our reputation and brand and harm our business and operating results.

In the ordinary course of business, we collect, store, and transmit information, including personal information, in relation to our current, past or potential customers, business partners, employees and contractors. We therefore face particular privacy, data security, and data protection risks in connection with requirements of the European Union's General Data Protection Regulation 2016/679 ("GDPR"), national implementing legislation of the GDPR, the United Kingdom GDPR and U.K. Data Protection Act 2018 (which retains the GDPR in U.K. national law (the "U.K. GDPR") and other data protection regulations in the European Economic Area ("EEA") and the U.K. Among other stringent requirements, the GDPR and U.K. GDPR restrict transfers of data outside of the EEA and U.K. to third countries deemed to lack adequate privacy protections (such as the U.S.), unless an appropriate safeguard specified is implemented. A July 16, 2020 decision of the Court of Justice of the European Union invalidated a key mechanism for lawful data transfer to the U.S. and called into question the viability of its primary alternative, the standard contractual clauses. While the European Commission has since then published revised standard contractual clauses and the United Kingdom's Information Commissioner's Office has published new data transfer standard contracts for transfers from the UK under the UK GDPR, each of which must be used for relevant new data and existing transfers (subject to grace periods), the ability of companies to lawfully transfer personal data from the EEA and the U.K. to the U.S. and other third countries is presently complex uncertain. We currently rely on the standard contractual clauses to transfer personal data outside the EEA and the U.K., including to the U.S. among other data transfer mechanisms pursuant to the GDPR and U.K. GDPR. Other countries have enacted or are considering enacting similar cross-border data transfer rules or data localization requirements. As this area and the enforcement landscape relating to it further develop, we could: suffer additional costs, complaints and/or regulatory investigations or fines; have to stop using certain tools and vendors and make other operational changes; have to implement revised standard contractual clauses for existing intragroup, customer and vendor arrangements within required time frames; and/or it could otherwise affect our future ability to deliver our products in the EEA, the U.K. and other foreign markets.

Fines for certain breaches of the GDPR and the U.K. GDPR are significant e.g., fines for certain breaches of the GDPR or the U.K. GDPR are up to the greater of €20 million / £17.5 million or 4% of total global annual turnover. In addition to the foregoing, a breach of the GDPR or U.K. GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are also subject to evolving EU and U.K. privacy laws on cookies and e-marketing. In the EU and U.K., informed consent is required for the placement of a cookie or similar technologies on a user's device and for direct electronic marketing. The GDPR and the U.K. GDPR also impose conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. Recent European court and regulatory decisions, regulatory guidance and recent campaigns by a

not-for-profit organization are driving increased attention to cookies and tracking technologies. If the trend of increasing enforcement by regulators of the strict approach to opt-in consent for all but essential use cases in recent guidance and decisions continues, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities.

In the U.S., there are numerous federal and state data privacy and protection laws and regulations governing the collection, use, disclosure, protection and other processing of personal information, including federal and state data privacy laws, data breach notification laws and consumer protection laws. We may become subject to these laws and regulations. For example, the FTC and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of data. Such standards require us to publish statements that describe how we handle personal data and choices individuals may have about the way we handle their personal data. If such information we publish is considered untrue or inaccurate, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Moreover, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal data secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices. Some states, such as California and Massachusetts, have passed specific laws mandating reasonable security measures for the handling of consumer data. Further, privacy advocates and industry groups have regularly proposed and sometimes approved, and may propose and approve in the future, self-regulatory standards with which we must legally comply or that contractually apply to us.

In addition, many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches. Such legislation includes the California Consumer Privacy Act of 2018 ("CCPA"), which came into force in January 2020 and created new consumer rights, and imposes corresponding obligations on covered businesses, relating to the access to, deletion of, and sharing of personal information collected by covered businesses, including California residents' right to access and delete their personal information, opt out of certain sharing and sales of their personal information, and receive detailed information about how their personal information is used. The CCPA prohibits discrimination against individuals who exercise their privacy rights, and provides for civil penalties for violations enforceable by the California Attorney General as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. In addition, California voters also recently passed the California Privacy Rights Act ("CPRA"), which will take effect on January 1, 2023. The CPRA significantly modifies the CCPA, including by imposing additional obligations on covered companies and expanding California consumers' rights with respect to certain sensitive personal information, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Some observers have noted that the CCPA (and the CPRA) could mark the beginning of a trend toward more stringent privacy legislation in the United States, and multiple states have enacted, or are expected to enact, similar or more stringent laws. For example, Virginia, Colorado, and Utah recently passed comprehensive privacy laws that take effect in 2023 and will impose obligations similar to or more stringent than those we may face under other data protection laws.. There is also discussion in Congress of a new comprehensive federal data protection and privacy law to which we likely would be subject if it is enacted. Such new laws and proposed legislation, if passed, could have conflicting requirements that could make compliance challenging, require us to expend significant resources to come into compliance, and restrict our ability to process certain personal information.

If we or our third-party service providers experience a security breach, or if unauthorized parties otherwise obtain access to our data, including our customers' data, partners' data or other personal data, our reputation may be harmed, demand for services may be reduced and we may incur significant liabilities.

Our services are expected to involve the storage, processing and transmission of data, including certain personal data and confidential and sensitive information. Any security breach, including those resulting from a cybersecurity attack, phishing attack or any unauthorized access, unauthorized usage, virus or similar breach or disruption could result in the loss or destruction of or unauthorized access to, or use, alteration, disclosure, or acquisition of, data, damage to our reputation, litigation, regulatory investigations or other liabilities. These attacks may come from individual hackers, criminal groups and state-sponsored organizations. In particular, ransomware attacks, including those from organized criminal threat actors, nation-states, and nation-state supported actors, are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss, diversion of funds, and may result in fines, litigation and unwanted media attention. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments.

If our security measures are breached as a result of third-party action, employee error, a defect or bug in our products or those of our third-party suppliers or partners, malfeasance or otherwise, and as a result, someone obtains unauthorized access to our data, including our confidential, sensitive, personal or other information about individuals, or any of these types of information is lost, destroyed or used, altered, disclosed or acquired without authorization, our reputation may be damaged, our business may suffer, and we could incur significant liability and regulatory enforcement. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new customers and retain and receive timely payments from existing customers. Further, we could be required to expend significant capital and other resources to address any data security incident or breach, which may not be covered or fully covered by our insurance and which may involve payments for investigations, forensic analyses, legal advice, public relations advice, system repair or replacement or other services.

We engage third-party service providers to store and otherwise process some of our data, including personal data and confidential and sensitive information. Our service providers may also be the targets of cyberattacks, malicious software, phishing schemes, and fraud. Our ability to monitor our vendors and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our data, including confidential data and confidential and sensitive information.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until after they have been launched against a target. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative and mitigating measures. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access or disruption.

Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.

We expect our capital expenditures to continue to be significant in the foreseeable future as we expand our business, and that our level of capital expenditures will remain uncertain and may be higher than anticipated. Overall, however, we expect to make significant investments in our business, including development of our aircraft, investments in our brand and developing assembly and manufacturing facilities. These efforts may prove more expensive than currently anticipated, and we may not succeed in acquiring sufficient capital to offset these higher expenses and achieve positive revenue generation. The fact that we have a limited operating history means we have limited historical data on the demand for our aircraft. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate. We may need to seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all.

Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business model. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which could mean we would be forced to curtail or discontinue our operations.

In addition, our future capital needs and other business reasons could require us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of our ordinary shares. If we raise funds by issuing debt securities, these debt securities may have rights, preferences, and privileges senior to those of preferred and common shareholders. The terms of debt securities or borrowings may impose significant restrictions on our operations. The incurrence of indebtedness would result in

increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

If we cannot raise additional funds when we need or want them, our operations and prospects could be negatively affected.

Our Convertible Senior Secured Notes issued and outstanding may impact our financial results, result in the dilution of our shareholders, create downward pressure on the price of our ordinary shares, and restrict our ability to raise additional capital or take advantage of future opportunities.

In connection with the Business Combination, we issued and sold an aggregate of $200 million principal amount of Convertible Senior Secured Notes to the Convertible Senior Secured Notes Investor in a private placement. The Convertible Senior Secured Notes are convertible for ordinary shares at a conversion rate of 90.9091 ordinary shares per $1,000 principal amount of Convertible Senior Secured Note, subject to adjustments to such rate as provided in the Indenture, and bear interest at a rate of 7.00% per annum for cash interest or 9.00% per annum for interest paid-in-kind, which is to be selected at our option and is paid semiannually. The sale of the Convertible Senior Secured Notes may affect our earnings per share figures, as accounting procedures may require that we include in our calculation of earnings per share the number of our ordinary shares into which the Convertible Senior Secured Notes are convertible. If our ordinary shares are issued to the holders of the Convertible Senior Secured Notes upon conversion, there will be dilution to our shareholders' equity and the market price of our ordinary shares may decrease due to the additional selling pressure in the market. Any downward pressure on the price of our ordinary shares caused by the sale, or potential sale, of shares issuable upon conversion of the Convertible Senior Secured Notes could also encourage short sales by third parties, creating additional selling pressure on our ordinary share price.

We may still incur substantially more debt or take other actions that would diminish our ability to make payments on the Convertible Senior Secured Notes when due.

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments. We are subject to certain restrictions under the terms of the Indenture, including limitations regarding incurring future indebtedness, subject to specific allowances in the Indenture. However, we will not be restricted from recapitalizing our debt or taking a number of other actions that are not limited by the terms of the Indenture that could have the effect of diminishing our ability to make payments on the Convertible Senior Secured Notes when due.

As an international business, we are exposed to fluctuations in currency exchange rates, which could adversely affect our cash flows and results of operations.

International markets are anticipated to contribute a substantial portion of our revenue, and we intend to expand our presence in these regions. The exposure to fluctuations in currency exchange rates takes on different forms. International revenue and costs are subject to the risk that fluctuations in exchange rates could adversely affect our reported revenue and profitability when translated into British pounds sterling for financial reporting purposes. The majority of our revenue is expected to be denominated in U.S. dollars, and our costs are primarily in British pounds sterling. These fluctuations could also adversely affect the demand for products and services provided by us. As an international business, our businesses may occasionally invoice third-party customers in currencies other than the one in which they primarily do business (the "functional currency"). Movements in the invoiced currency relative to the functional currency could adversely impact our cash flows and our results of operations. As our international sales commence and grow, exposure to fluctuations in currency exchange rates could have a larger effect on our financial results. Our management has used, and expects to continue to use, financial instruments to hedge against currency fluctuations, but such action may be ineffective or insufficient.

We may not be able to secure adequate insurance policies, or secure insurance policies at reasonable prices.

We maintain general liability insurance, aviation flight testing insurance, aircraft liability coverage, directors and officers insurance and other insurance policies, and we believe our level of coverage is customary in our industry and adequate to protect against claims. However, there can be no assurance that it will be sufficient to cover potential claims or that present levels of coverage will be available in the future at reasonable cost. The eVTOL market is currently a nascent market for insurers, and as such, insurers may be unwilling to cover the risks associated with eVTOL technology, either partially or at all. Further, we expect our insurance needs and costs to increase as we build production facilities, manufacture aircraft, establish commercial operations and expand into new markets, and it is too early to determine what impact, if any, the commercial operation of eVTOLs will have on our insurance costs.

Changes in our tax rates, unavailability of certain tax credits or reliefs or exposure to additional tax liabilities, clawbacks or assessments could affect our profitability, and audits by tax authorities could result in additional tax payments for prior periods.

We expect to be affected by various domestic and international taxes, including direct and indirect taxes imposed on our activities, such as corporate income, withholding, customs, excise, value-added, sales and other taxes. Significant judgment is required in determining our provisions for taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain.

The amount of tax we expect to pay may be subject to audits by international, domestic and local tax authorities. If audits result in payments or assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities, and our financial statements could be adversely affected. Any significant changes to the tax system in the United Kingdom, United States, Cayman Islands or in other jurisdictions (including changes in the taxation of international income as further described below) could adversely affect our business, financial condition and results of operations.

We are subject to U.K. corporation tax, which is levied on profits generated in the U.K. and abroad. The U.K. corporation tax rate is currently 19% for the 2021/22 and 2022/23 tax years, but the U.K. government has announced that from April 1, 2023 the main U.K. corporation tax rate shall rise to 25%, which will affect our post-tax profits.

We carry out extensive research and development activities, and as a result, we expect to benefit in the United Kingdom from HM Revenue & Customs' ("HMRC") research and development expenditure credit ("RDEC"), which provides relief against U.K. corporation tax. Broadly, RDECs provide a tax credit currently equal to 13% of "qualifying research and development expenditure" made from April 1, 2020 (the rate was previously 12% of qualifying research and development expenditure made from January 1, 2018 to March 31, 2020) by certain companies where certain criteria are met. Based on criteria established by HMRC, a portion of expenditures incurred in relation to our research and development and manufacturing development activities are eligible for RDEC relief. Our qualifying research and development expenditures largely consist of employment costs for research staff, consumables and certain internal overhead costs incurred as part of research projects for which we do not receive revenue and are loss generating. To the extent a company cannot utilize the RDEC against U.K. corporation tax, then certain rules apply that allow the RDEC to reduce the tax liability of certain specified taxes, and to the extent it is not possible to utilize the RDEC in full, then the net tax credit is repaid to the company by HMRC. If, however, there are unexpected adverse changes to the RDEC scheme or for any reason we are unable to qualify for such advantageous tax legislation, then our business, results of operations and financial condition may be adversely affected.

We may be subject to a tax charge as a result of the issuance of warrants.

We have issued, and intend to issue in the future, a number of warrants to the public and to certain business partners which, at the time of their issuance, may be treated as a disposal of an asset for the purposes of U.K. corporation tax. Any chargeable gain arising on such a disposal may, depending on the circumstances and subject to any available exemptions or reliefs (such as loss relief), be subject to U.K. corporation tax at the prevailing rate. The U.K. tax rules provide that once the warrants are exercised, the issuance and exercise of the warrants should be treated as the same transaction, which should not be treated as a taxable event. In this instance, we should be able to reclaim any tax paid in respect of the original issuance of the warrants. There is no certainty that the warrants will be exercised or, in the event that the warrants are exercised, when such exercise will take place.

We may incur tax liabilities in relation to share options held by employees.

We have in place certain arrangements to attract talent and to motivate and incentivize our employees.

A number of our employees have been issued share options, which are intended to qualify for certain tax relief in the United Kingdom as enterprise management incentive ("EMI") options. To qualify for tax relief, a number of strict statutory criteria must be complied with. It is possible that one or more of the relevant criteria have not been complied with. The U.K. tax rules provide that if an option does not qualify for EMI tax relief when it is exercised, Vertical would

need to withhold income tax and social security contributions and remit these to the tax authority, and Vertical would need to pay employer's social security contributions.

The tax authority can seek to recover unpaid amounts and impose penalties if we did not comply with these obligations.

Our business may be adversely affected by union activities.

Although none of our employees is currently represented by a labor union, it is common throughout the aerospace and airline industries generally for many employees to belong to a union, which can result in higher employee costs and increased risk of work stoppages. As we expand our business, there can be no assurances that our employees will not join or form a labor union or that we will not be required to become a union signatory. We are also directly or indirectly dependent upon companies with unionized work forces, such as parts suppliers, and work stoppages or strikes organized by such unions could have a material adverse impact on our business, financial condition or operating results. If a work stoppage occurs, it could delay the manufacture and sale of our performance electric vehicles and have a material adverse effect on our business, operating results or financial condition.

We are subject to many hazards and operational risks that can disrupt our business, including interruptions or disruptions in service at our facilities, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to many hazards and operational risks inherent to our business, including general business risks, product liability and damage to third parties, our infrastructure or properties that may be caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks (including hijacking, use of the aircraft as a weapon, or use of the aircraft to disperse a chemical or biological agent), catastrophic loss due to security related incidents, human errors and similar events. Additionally, our manufacturing operations are hazardous at times and may expose us to safety risks, including environmental risks and health and safety hazards to our employees or third parties.

Any legal proceedings, investigations or claims against us could be costly and time-consuming to defend and could harm our reputation regardless of the outcome.

We may in the future become subject to legal proceedings, investigations and claims, including claims that arise in the ordinary course of business, such as claims brought by our customers or partners in connection with commercial disputes, claims by end-users, claims or investigations brought by regulators or employment claims made by our current or former employees. Any litigation, investigation or claim, whether meritorious or not, could harm our reputation, will increase our costs and may divert management's attention, time and resources, which may in turn harm our business, financial condition and results of operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position and results of operations.

Risks Related to Our Regulatory Environment

The international nature of our business subjects us to additional risks.

We are subject to a number of risks related to doing business internationally, any of which could significantly harm our business. These risks include:

- restrictions on the transfer of funds to and from foreign countries, including potentially negative tax consequences;
- unfavorable changes in tariffs, quotas, trade barriers or other export or import restrictions, including navigating the changing relationships between countries globally such as the United States, Russia and China;
- unfavorable foreign exchange controls and currency exchange rates;
- increased exposure to general international market and economic conditions;
- political and economic uncertainty and volatility;

- the potential for substantial penalties and litigation related to violations of a wide variety of laws, treaties and regulations, including anti-corruption regulations (including the U.S. Foreign Corrupt Practices Act 1977 (as amended, the "FCPA") and the U.K. Bribery Act 2010 (the "Bribery Act")) and privacy laws and regulations (including the EU's General Data Protection Regulation);

- significant differences in regulations across international markets and the regulatory impacts on a globally integrated supply chain;
- the difficulty and costs of designing and implementing an effective control environment across diverse regions and employee bases;
- the difficulty and costs of maintaining effective data security;
- global pricing pressures; and
- unfavorable and/or changing foreign tax treaties and policies.

In addition, our financial performance on a British pounds sterling denominated basis is subject to fluctuations in currency exchange rates, as our principal funding and sales exposure is to the U.S. dollar. See Note and Note 26 to our consolidated financial statements included elsewhere in this Annual Report.

We are subject to laws and regulations worldwide, many of which are unsettled and still developing and which could increase our costs or materially and adversely affect our business.

We are subject to a variety of laws internationally that affect our business, including, but not limited to, laws regarding employment, safety, anti-money laundering and taxation, all of which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting and compliance with laws, regulations and similar requirements may be burdensome and expensive. Laws and regulations may be inconsistent from jurisdiction to jurisdiction, which may increase the cost of compliance and doing business. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could make our aircraft less attractive to our customers or cause us to change or limit our ability to sell our aircraft. We expect to put in place policies and procedures designed to ensure compliance with applicable laws and regulations, but we cannot assure you that our employees, contractors or agents will not violate such laws and regulations or our policies and procedures.

It is difficult to predict how existing or new laws may be applied. If we become liable, directly or indirectly, under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our aircraft, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition or results of operations.

Our aircraft might not comply with all the requirements to operate according to Instrument Flight Rules.

We are subject to a variety of certification requirements in the jurisdictions in which we operate, including those relating to IFRs. While we are working to ensure that our aircraft is certified to operate under IFRs, including at low levels and in an urban environment, there can be no assurance that we will be successful.

Existing IFRs were designed based on the capabilities of traditional aircraft. Electric aircraft have different capabilities, in particular, with respect to loiter time and diversion range. Aviation regulators acknowledge and are working towards making the appropriate revisions to accommodate these new types of aircraft, but there can be no assurance that these changes will be made in a timely manner or at all, or that globally consistent standards will be promulgated. Further, there can be no assurance that our aircraft will be capable of meeting any newly defined IFR or other similar requirements in the future.

If we are unable, either fully or partially, to certify our aircraft in accordance with the IFRs, then this could limit the ability of our aircraft to fly under certain conditions, which could impair our ability to meet our customers' requirements and as a result, harm our sales to our customers and potential new customers. In turn, this could adversely affect our business, financial condition and results of operations.

We may be unable to obtain the relevant regulatory approvals needed to produce and sell the aircraft and prospective operators of our aircraft may not be able to obtain the relevant regulatory approvals to operate our aircraft.

The commercialization of new aircraft and the operation of an aerial mobility service requires certain regulatory authorizations and certifications. We will need to obtain Design Organisation Approval and Production Organisation Approval from the CAA. We then need to obtain a type certificate for the aircraft from the CAA and EASA (which we expect to occur concurrently as EASA has agreed to concurrently validate the CAA's certification) and then undergo successful foreign validation approvals to operate in other jurisdictions, for example with the FAA. While we anticipate being able to achieve these regulatory approvals, should we fail to do so, or fail to do so in a timely manner, or if these approvals or certifications are modified, suspended or revoked after we obtain them, we may be unable to provide our aircraft on the timelines projected, which could have a material adverse effect on the relationships that we have with our customers and negatively impact our reputation, which could harm our ability to attract new customers.

In addition, our customers will need to obtain regulatory approval to operate the aircraft. This will include either obtaining an air (carrier) operator's certificate from their National Authority or amending an existing certificate to include our aircraft. If obtaining such approvals is significantly more difficult, costly or time-consuming than envisaged, this may affect demand for our aircraft. Any of the foregoing would have adverse effects on our business, financial condition and results of operations.

Regulatory and planning authorities may introduce regulatory, procedural or policy changes to reflect the novel aspects of eVTOL aircraft, including in relation to pilot training, aircraft operation and maintenance. If changes are introduced, they may have a detrimental impact on our ability to successfully deploy and commercialize our aircraft, or to do so in a timely manner.

There are a number of existing laws, regulations and standards that may apply to our aircraft, including standards that were not originally intended to apply to electric aircraft. While our aircraft and our service are designed, at launch, to operate as far as possible within the existing CAA, EASA, FAA or other regulatory frameworks in which we intend to operate, we anticipate national authorities may introduce changes to those frameworks, which may prohibit, restrict or delay our ability to launch in the relevant market. Regulatory authorities may introduce changes specifically to address electric aircraft or high-volume flights, which could have a negative impact on the sales of our aircraft or services.

In addition, the increased volume of flights resulting from AAM and AAM services may result in regulatory changes for integration into the airspace systems applicable to our operations. We may be unable to comply with such regulatory changes at all or do so in a timely manner, thereby interrupting our operations. Such regulatory changes could also result in increased costs and pricing of our services, reducing demand and adversely impacting our financial performance.

If current airspace and zoning regulations are not modified to increase air traffic capacity, our business could be subject to considerable capacity limitations.

A failure to increase air traffic capacity at and in the airspace serving key markets, including around major airports in the United States, Europe or overseas, could create capacity limitations for the future operations of the third-party operators and could have an indirect material adverse effect on our business, results of operations and financial condition. In particular, delays and disruptions to customers' services (especially during peak travel periods or adverse weather conditions in certain markets) could be caused by capacity constraints resulting from weaknesses in the relevant airspace systems and air traffic control systems, such as legacy procedures and technologies, or from zoning restrictions that limit flight volumes at existing airports or prevent the construction of new air traffic infrastructure.

Changes in government regulations imposing additional requirements and restrictions on our manufacturing operations could increase costs and result in delays and disruptions.

Aerospace manufacturers are subject to extensive regulatory and legal requirements that involve significant compliance costs. The CAA, EASA or FAA may issue regulations relating to the operation of aircraft that could require

significant expenditures in the design, production or operation of the aircraft. Implementation of the requirements created by such regulations may result in increased costs for us.

Additional laws, regulations, taxes, and airport rates and charges have been proposed from time to time that could significantly increase the cost of our operations, impact our customers' services or generally reduce the demand for air travel. If adopted, these measures could reduce revenue and increase costs. We cannot assure you that these and other laws or regulations enacted in the future will not harm our business.

We are subject to stringent export and import control laws and regulations. Unfavorable changes in these laws and regulations or licensing policies, our failure to secure timely government authorizations under these laws and regulations, or our failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operation.

Our business may be subject to stringent U.K., U.S. and other applicable import, export and re-export control laws. We, and our suppliers, are required to import and export our products, software, technology and services, as well as run our operations in full compliance with such laws and regulations. Similar laws that impact our business exist in other jurisdictions. Pursuant to these trade control laws and regulations, we are required, among other things, to (i) determine the proper licensing jurisdiction and export classification of products, software, and technology, and (ii) where necessary, obtain licenses or other forms of government authorization to engage in the conduct of our business. The authorization requirements may include the need to obtain export licenses or similar permissions from the relevant governmental regulators in order to export or re-export controlled products, software or technology, including to release such controlled goods to foreign person employees and other foreign persons, and to ensure compliance with the terms of such licenses or permissions. These foreign trade controls may prohibit, restrict or regulate our ability to, directly or indirectly, export, deemed export, re-export, deemed re-export or transfer certain hardware, technical data, technology, software or services to certain countries and territories, entities and individuals and for end uses. U.K., U.S. or other applicable trade control laws and regulations may also change or lead to reclassifications of our products or technologies. A number of our key suppliers, including Honeywell, Leonardo, Rolls-Royce and GKN, are based in, or have substantial engineering resources located in, the U.S. and are also actively involved in the defense industry. Due to the cutting-edge nature of our industry and aircraft, the U.S., U.K. or other governments, could make key technologies that we, or our suppliers, are developing or are intending to use, subject to export control legislation, including the U.S. International Traffic in Arms Regulations or the Export Administration Regulations.

The inability to secure and maintain necessary export licenses and other authorizations, or the failure to comply with the terms of licenses that we have obtained, could negatively impact our ability to compete successfully or to operate our business as planned. There can be no assurance we will be successful in our future efforts to secure and maintain necessary licenses, registrations, or other U.K., U.S. or other relevant government regulatory approvals. If we, or our suppliers, are found to be in violation of these laws and regulations, it could result in civil and criminal, monetary and non-monetary penalties, the loss of export or import privileges, debarment and reputational harm.

We are subject to anti-corruption, anti-bribery, anti-money laundering, economic and trade sanctions and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations.

We may be subject to certain anti-corruption, anti-bribery, anti-money-laundering, and economic and trade sanctions laws, including those that are administered by the U.K., EU, U.S. and United Nations Security Council, and other relevant governmental authorities.

We are also subject to the Bribery Act, FCPA, and the U.S. PATRIOT Act, as well as the laws of the other countries in which we conduct our activities. The FCPA prohibits us and our officers, directors, employees, and agents and business partners acting on our behalf, from corruptly offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or otherwise securing an improper advantage to obtain or retain business. The FCPA further requires companies listed on U.S. stock exchanges to make and keep books and records that accurately reflect transactions and dispositions of assets and to maintain a system of internal accounting controls. The Bribery Act also prohibits:

(i) "commercial bribery" of private parties, in addition to bribery involving domestic or foreign officials;

(ii) the acceptance of bribes, as well as the giving of bribes, and

(iii) "facilitation payments", meaning generally low-level payments designed to secure or expedite routine governmental actions or other conduct to which persons are already under obligations to perform. The Bribery Act also creates an offence applicable corporate entities for failure to prevent bribery by our employees, officers, directors and other third parties acting on our behalf, to which the only defense is to maintain "adequate procedures" designed to prevent such acts of bribery.

We also are subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring our personnel and agents into contact with public officials responsible for issuing or renewing permits, licenses or approvals or for enforcing other governmental regulations. As we increase our global sales and business, we may engage with partners and third-party intermediaries to market our aircraft and obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities (in addition to private customers). We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not authorize such activities.

Our customers may be subject to sanction laws of the U.K., EU, and U.S., and other applicable jurisdictions, such as those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, Her Majesty's Treasury and other relevant sanctions authorities, which may prohibit the sale of products or provision of services to embargoed jurisdictions ("Sanctioned Countries") or to individuals and entities targeted by such sanctions ("Sanctioned Parties"). If we are found to be in violation of any applicable sanctions regulations, it can result in significant fines or penalties and possible incarceration for responsible employees and managers, as well as reputational harm and loss of business.

We have in place internal controls commensurate with our stage of development, and as our business matures and evolves, we intend to implement further necessary controls, policies, procedures and systems to promote compliance with anti-corruption, anti-money laundering, export control, economic and trade sanctions and other trade laws. Despite our compliance efforts and activities, there can be no assurance that our employees or representatives will comply with the relevant laws or with our policies, procedures, systems and controls, or that our internal controls will effectively detect and prevent all violations of applicable law by our employees, consultants, agents or other third-parties acting on our behalf, and we may be held responsible. Non-compliance or even suspected non-compliance with anti-corruption, anti-money laundering, export control, economic and trade sanctions and other trade laws could subject us to whistleblower complaints, investigations, prosecution, or other enforcement actions, which could lead to disclosures, sanctions, settlements, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas or investigations are initiated, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, financial condition and results of operations could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. As a general matter, enforcement actions and sanctions could harm our business, financial condition and results of operations.

We may need to initiate or defend against intellectual property infringement or misappropriation claims, which may be time-consuming and expensive and, if adversely determined, could limit our ability to sell our aircraft or otherwise operate our business.

Companies, organizations or individuals, including our competitors, may own or obtain patents, trademarks or other proprietary rights that could prevent or limit our ability to make, use, develop or deploy our aircraft, which could make it more difficult for us to operate our business.

We may receive inquiries and claims from patent, copyright, trademark or other intellectual property owners or holders inquiring whether, or alleging that, we infringe upon their proprietary rights or have misappropriated their confidential information or trade secrets. For example, companies owning patents or other intellectual property rights or holding confidential information or trade secrets, in particular relating to battery packs, electric motors, aircraft configurations, fly-by-wire flight control software or electronic power management systems, may allege infringement or misappropriation of such rights. In response to any determination that we have infringed upon or misappropriated a third-party's intellectual property rights, we and our partners and/or suppliers may be required to do one or more of the following:

- cease development, sales or use of our products that incorporate the asserted intellectual property;
- pay substantial damages;
- divert significant resources towards litigation or dispute resolution;
- obtain a license from the owner of the asserted intellectual property right, which license may not be available on reasonable terms (including royalties) or available at all; or
- re-design one or more aspects or systems of our aircraft or other offerings.

A successful claim of infringement or misappropriation against us or any of our suppliers could harm our business, prospects, financial condition and operating results. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

We may be unable to protect our proprietary information and intellectual property rights from unauthorized use by third parties.

Our success depends, in part, on our ability to protect our proprietary information and intellectual property rights, including certain technologies deployed in our aircraft. To date, we have relied primarily on trade secrets to protect our proprietary technology, and have applied for a number of patents (currently pending) in the United Kingdom. The agreements that we enter into, or will enter into in the future, with our partners, suppliers, consultants and other third parties take relevant measures to protect our intellectual property rights and proprietary information by ensuring appropriate non-disclosure, assignment or license terms are included in the agreements, as well as take other measures such as limiting access to our trade secrets and other confidential information and including confidentiality clauses in our employment contracts. We intend to continue to rely on these and other means, including patent protection, in the future. However, the steps we take to protect our intellectual property and proprietary information may be inadequate, and unauthorized parties may attempt to copy aspects of our intellectual property or obtain and use information that we regard as proprietary and, if successful, may potentially harm our ability to compete, accelerate the development programs of our competitors, and/or result in a deteriorated competitive position in the market. Moreover, our non-disclosure agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to ours, and there can be no assurance that our competitors or third parties will comply with the terms of these agreements, or that we will be able to successfully enforce such agreements or obtain sufficient remedies if they are breached. Additionally, there can be no assurance that the intellectual property rights we own or license will provide competitive advantages or will not be challenged, revoked, invalidated, opposed or circumvented by our competitors.

Further, obtaining and maintaining patent, copyright and trademark protection can be costly, and we may choose not to, or may fail to, pursue or maintain such forms of protection for our technology in the United Kingdom or other jurisdictions, which could harm our ability to maintain our competitive advantage in such jurisdictions. It is also possible that we will fail to identify patentable aspects of our technology before it is too late to obtain patent protection, that we will be unable to devote the resources to file and prosecute all patent applications for such technology, or that we will inadvertently lose protection for failing to comply with all procedural, documentary, payment and similar obligations during the patent prosecution process. The laws of some countries do not protect proprietary rights or confidential information to the same extent as the laws of the United States or the United Kingdom, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate to prevent other parties from

infringing our proprietary technology. To the extent we expand our international activities, our exposure to unauthorized use of our technologies and proprietary information may increase. We may also fail to detect unauthorized use of our intellectual property, or be required to expend significant resources to monitor and protect our intellectual property rights, including engaging in litigation, which may be costly, time- consuming, and divert the attention of management and resources, and may not ultimately be successful. If we fail to meaningfully establish, maintain, protect our proprietary information and enforce our intellectual property rights, our business, financial condition and results of operations could be adversely affected.

Risks Related to Ownership of Our Securities

The price of our securities may be volatile, and the value of our securities may decline.

We cannot predict the prices at which our ordinary shares and our warrants will trade. The market price of our ordinary shares and our warrants may fluctuate substantially and may be lower than the current market price. In addition, the trading price of our ordinary shares and our warrants is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our ordinary shares and/or warrants as you might be unable to sell your securities at or above the price you paid. Factors that could cause fluctuations in the trading price of our securities include the following:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in the pricing of our solutions;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our platform;
- announcements by us or our competitors of significant business developments, acquisitions or new offerings;
- significant data breaches, disruptions to or other incidents involving our platform;
- our involvement in litigation;
- delays in the certification or production of our aircraft;
- conditions or developments affecting the eVTOL industry;
- future sales of our ordinary shares by us or our shareholders, as well as the anticipation of lock-up releases;
- changes in senior management or key personnel;
- the trading volume of securities;
- changes in the anticipated future size and growth rate of our markets;
- sales and short-selling of our ordinary shares;
- publication of research reports or news stories about us, our competitors or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- general economic and market conditions; and
- other events or factors, including those resulting from war (including the ongoing war between Russia and Ukraine), incidents of terrorism, global pandemics or responses to these events.

Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also negatively impact the market price of our securities. In addition, technology stocks have historically experienced high levels of volatility. In the past, companies who have experienced volatility in the market

price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management's attention.

A market for our ordinary shares and/or warrants may not develop or be sustained, which would adversely affect the liquidity and price of our ordinary shares and/or warrants.

An active trading market for our ordinary shares and/or warrants may never develop or, if developed, it may not be sustained. In addition, the price of our ordinary shares and warrants can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our ordinary shares and/or warrants become delisted from NYSE and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), the liquidity and price of our ordinary shares and/or warrants may be more limited than if we were quoted or listed on the NYSE, Nasdaq or another national securities exchange. You may be unable to sell your ordinary shares and/or warrants unless a market can be established or sustained.

If we do not meet the expectations of equity research analysts, if they do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, the price of our ordinary shares could decline.

The trading market for our ordinary shares will rely in part on the research and reports that equity research analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our results of operations are below the estimates or expectations of public market analysts and investors, the price of our ordinary shares could decline. Moreover, the price of our ordinary shares could decline if one or more securities analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Our issuance of additional share capital in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other shareholders.

We expect to issue additional share capital in the future that will result in dilution to all other shareholders. We expect to grant equity awards to employees and directors under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may make or receive investments in companies, solutions or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional share capital may cause shareholders to experience significant dilution of their ownership interests and the per share value of our ordinary shares to decline.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares.

We do not intend to pay any cash dividends in the foreseeable future, and any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, you may need to rely on sales of our ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

We are an "emerging growth company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of the closing of the Business Combination; (2) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (3) the date on which we have, during the previous rolling three-year

period, issued more than $1 billion in non-convertible debt securities; and (4) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates.

We cannot predict if investors will find our securities less attractive if we choose to rely on these exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities, and the price of our securities may be more volatile.

We are a foreign private issuer and, as a result, we are not subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, although we are subject to Israeli laws and regulations with regard to certain of these matters and intend to furnish certain comparable quarterly information on Form 6-K. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2022. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of the NYSE. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

As we are a "foreign private issuer" and intend to follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

The NYSE's corporate governance rules require listed companies to have, among other things, a majority of independent board members, meetings of independent board members without executive management present, and independent director oversight of executive compensation, nomination of directors and corporate governance matters, and the audit committee is required to have at least three members. Additionally, the NYSE's rules require that a listed company obtain, in specified circumstances, shareholder approval to adopt and materially revise equity compensation plans, as well as shareholder approval prior to an issuance (a) of more than 1% of its ordinary shares (including derivative securities thereof) in either number or voting power to related parties, (b) of more than 20% of its outstanding ordinary shares (including derivative securities thereof) in either number or voting power or (c) that would result in a change of control. As a foreign private issuer, we are permitted, and we intend, to follow certain home country corporate governance practices in lieu of the foregoing NYSE requirements, provided that we disclose the requirements we are not following and describe the corporate governance practices of the Cayman Islands that we are following.

As long as we rely on the foreign private issuer exemptions under the rules of the NYSE, a majority of the directors on our board of directors are not required to be independent directors, our compensation committee is not required to be comprised entirely of independent directors, we are not required to have a nominating and corporate governance committee composed of entirely independent directors, our audit committee is not required to have at least three members, our independent directors are not required to meet without executive management present, and shareholder approval is neither required for equity compensation plans and material revisions to those plans nor the issuance of more than 1% of our outstanding ordinary shares (including derivative securities thereof) in either number or voting power, the issuance of 20% or more of our outstanding ordinary shares (including derivative securities thereof) in either number or voting power or an issuance that would result in a change of control. Therefore, our board of directors' approach to governance and securities issuances may be different from that of a board of directors consisting of a majority of independent directors, and, as a result, the management oversight of our Company may be more limited than if we were subject to all of the NYSE corporate governance standards and shareholder approval requirements.

We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

As a "controlled company" within the meaning of the NYSE's corporate governance rules, we are permitted to, and we intend to, rely on exemptions from certain of the NYSE corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors.

In the event we no longer qualify as a foreign private issuer, we intend to rely on the "controlled company" exemption under the NYSE corporate governance rules. A "controlled company" under the NYSE corporate governance rules is a company of which more than 50% of the voting power is held by an individual, group or another company. Following the Business Combination, our principal shareholder controls a majority of the voting power of our outstanding ordinary shares, making us a "controlled company" within the meaning of the NYSE corporate governance rules. As a controlled company, we would be eligible to, and, in the event we no longer qualify as a foreign private issuer, we intend to, elect not to comply with certain of the NYSE corporate governance standards, including the requirement that a majority of directors on our board of directors are independent directors and the requirement that our compensation committee and our nominating and corporate governance committee consist entirely of independent directors.

Accordingly, our shareholders may not have the same protection afforded to shareholders of companies that are subject to all of the NYSE corporate governance standards, and the ability of our independent directors to influence our business policies and affairs may be reduced.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an "emerging growth company." The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel are not experienced in managing a public company and are required to devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will continue to incur as a public company or the specific timing of such costs.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to report our financial results accurately, prevent fraud or file our periodic reports as a public company in a timely manner.

Prior to the Business Combination, we were a private company with limited accounting and financial reporting personnel and other supervisory resources, including a lack of an established audit committee to oversee the financial reporting process and our internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the applicable accounting standards, which for us, is IFRS. As a result of becoming a public company, we are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting beginning with our second annual report on Form 20-F. This assessment will need to include disclosures of any material weaknesses identified by our management in our internal control over financial reporting.

In connection with the preparation and audit of our consolidated financial statements, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. For a description of the material weaknesses identified, as well as management's remediation actions and plans to date, see "*Item 15. Controls and Procedures*."

Our remediation efforts may not enable us to avoid material weaknesses in our internal control over financial reporting in the future. In addition, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation. We anticipate investing significant resources to enhance and maintain our financial controls, reporting system and procedures over the coming years. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting nor that they will prevent or avoid potential future material weaknesses. We cannot assure you that all of our existing material weaknesses have been identified, or that we will not in the future identify additional material weaknesses. If we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404.

If we fail to achieve and maintain an effective internal control environment, we may not be able to prepare and disclose, in a timely manner, our financial statements and other required disclosures, or comply with existing or new reporting requirements. Any failure to report our financial results on an accurate and timely basis could result in material misstatements in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our businesses, financial condition, results of operations and prospects, as well as the trading price of our ordinary shares may be materially and adversely affected. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our securities.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of the fiscal year that coincides with the filing of our second annual report on Form 20-F. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company."

As discussed above in "— *We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to report our financial results accurately, prevent fraud or file our periodic reports as a public company in a timely*

manner," we identified certain material weaknesses in connection with the preparation of our consolidated financial statements for the year ended December 31, 2021. The continued presence of these or other material weaknesses and/or significant deficiencies in any future financial reporting periods could result in financial statement errors that, in turn, could lead to errors in our financial reports, delays in our financial reporting, and that could require us to restate our operating result. Investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities could be materially and adversely affected. We might also not identify one or more material weaknesses in our internal controls in connection with evaluating our compliance with Section 404. In order to achieve and maintain compliance with the requirements of Section 404, we will need to expend significant resources and provide significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems and controls to accommodate such changes. Additionally, if these new systems, controls or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could materially and adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective and identify material weaknesses, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies could also restrict our future access to the capital markets.

The growth and expansion of our business places a continuous, significant strain on our operational and financial resources. Further growth of our operations to support our customer base, our information technology systems and our internal controls and procedures may not be adequate to support our operations. As we continue to grow, we may not be able to successfully implement requisite improvements to these systems, controls and processes, such as system access and change management controls, in a timely or efficient manner. Our failure to improve our systems and processes, or their failure to operate in the intended manner, whether as a result of the growth of our business or otherwise, may result in our inability to accurately forecast our revenue and expenses, or to prevent certain losses. Moreover, the failure of our systems and processes could undermine our ability to provide accurate, timely and reliable reports on our financial and operating results and could impact the effectiveness of our internal control over financial reporting. In addition, our systems and processes may not prevent or detect all errors, omissions or fraud.

We are a holding company with no operations of our own and, as such, depend on our subsidiaries for cash to fund our operations and expenses, including future dividend payments, if any.

As a holding company, our principal source of cash flow will be distributions or payments from our operating subsidiaries. Therefore, our ability to fund and conduct our business, service our debt and pay dividends, if any, in the future will depend on the ability of our subsidiaries and intermediate holding companies to make upstream cash distributions or payments to us, which may be impacted, for example, by their ability to generate sufficient cash flow or limitations on the ability to repatriate funds whether as a result of currency liquidity restrictions, monetary or exchange controls or otherwise. Our operating subsidiaries and intermediate holding companies are separate legal entities, and although they are directly or indirectly wholly owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. To the extent the ability of any of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt and pay dividends, if any, could be harmed.

We may be characterized as a PFIC for U.S. federal income tax purposes, which may cause adverse U.S. federal income tax consequences to U.S. investors.

A non-U.S. corporation generally will be treated as a PFIC for U.S. federal income tax purposes, in any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income. If we are a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder (as defined in under "Material U.S. Federal Income Tax Considerations") of ordinary shares or warrants, such U.S. Holder may be subject to adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. We are an early stage company and do not expect to realize revenue from our manufacturing operations before 2025. Until we generate revenue, our PFIC status would largely depend on whether we earn non-passive income, such as government grants, and whether the amount of such non-passive income exceeds 25% of our gross income for the relevant taxable year. While not clear, taking into account our income, assets and market capitalization, we believe that we were not a PFIC for the taxable year that ended on December 31, 2021. Even after we start generating revenue, our PFIC status would depend on, among other things, the composition of the income, assets and operations of us and our subsidiaries, and there can be no assurances that we will not be treated as a PFIC in any future taxable year. Moreover, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that the IRS will not take a contrary position or that a court will not sustain such a challenge by the IRS. Furthermore, if a U.S. Holder holds our ordinary shares and/or warrants and we are a PFIC during such U.S. Holder's holding period, unless the U.S. Holder makes certain elections, we will continue to be treated as a PFIC with respect to such U.S. Holder, even if we cease to be a PFIC in future taxable years.

For a further discussion, see Item 10.E. "*Material Taxation—Material U.S. Federal Income Tax Considerations—U.S. Holders—Passive Foreign Investment Company Rules*." U.S. Holders of our ordinary shares and/or warrants are strongly encouraged to consult their own advisors regarding the potential application of these rules to us and the ownership of our ordinary shares and/or warrants.

Certain of our shareholders control us following the Business Combination, and their interests may conflict with ours or yours in the future.

Immediately following the Business Combination, the VAGL Shareholders collectively owned approximately 75% of our issued and outstanding ordinary shares as of December 31, 2021. Even if and when these shareholders cease to own a majority of the outstanding ordinary shares, for so long as they continue to own a significant percentage of ordinary shares, these shareholders will still be able to significantly influence or effectively control the composition of our board of directors and the approval of actions requiring shareholder approval through their voting power. Accordingly, for such period of time, these shareholders may have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, for so long as these shareholders continue to own a significant percentage of the outstanding ordinary shares, these shareholders may be able to cause or prevent a change of control of us or a change in the composition of our board of directors and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your ordinary shares as part of a sale of us and ultimately might affect the market price of our ordinary shares.

We will be able to issue additional ordinary shares upon the exercise of outstanding Public Warrants and the Convertible Notes Warrants, and upon the exercise of the options granted pursuant to the 2021 Incentive Plan and the EMI Option Agreements, all of which would increase the number of shares eligible for future resale in the public market and result in dilution to our shareholders.

As of December 31, 2021, 15,265,146 Public Warrants were issued and outstanding, with each warrant entitling the registered holder to purchase one ordinary share at a price of $11.50 per share (subject to adjustment). The warrants became exercisable 30 days after the completion of the Business Combination and will expire at 5:00 p.m., New York City time, five years after the completion of the Business Combination or earlier upon redemption or liquidation. We have also adopted the 2021 Incentive Plan and entered into the EMI Option Agreements with certain of our employees, pursuant to which 32,113,424 ordinary shares have been authorized to be issued. The Convertible Senior Secured Notes also may be converted at any time prior to the close of business on the second scheduled trading day immediately before the maturity date of the Convertible Senior Secured Notes, which would result in the issuance of additional ordinary shares. The Convertible Notes Warrants issued to the Convertible Senior Secured Notes Investor immediately after the Closing of the Business Combination are also exercisable for up to 4,000,000 ordinary shares, with an exercise price of $11.50 per share (subject to adjustment). To the extent the warrants or options are exercised, the Convertible Senior Secured Notes are converted, or awards are made under the 2021 Incentive Plan, additional ordinary shares will be issued, which will result in dilution to our shareholders and increase the number of ordinary shares eligible for resale in the public market. Sales of substantial numbers of such securities in the public market or the fact that such securities may be exercised could adversely affect the market price of our securities.

The Public Warrant Agreement and the agreement governing the Convertible Notes Warrants designate the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of the Public Warrants and the Convertible Notes Warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with Vertical.

The Public Warrant Agreement and the agreement governing the Convertible Notes Warrants (the "Convertible Notes Warrant Agreement") provide that, subject to applicable law, (i) any action, proceeding or claim against Vertical arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that Vertical irrevocably submits to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. We note, however, that there is uncertainty as to whether a court would enforce this provision and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Notwithstanding the foregoing, these provisions of the Public Warrant Agreement and the Convertible Notes Warrant Agreement will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in any of the Public Warrants and/or the Convertible Notes Warrants shall be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope of the forum provisions of the Public Warrant Agreement and the Convertible Notes Warrant Agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a "foreign action") in the name of any holder of the Public Warrants and/or the Convertible Notes Warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder.

This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Vertical, which may discourage such lawsuits. Alternatively, if a court were to find this provision of the Public Warrant Agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

If Vertical does not maintain a current and effective prospectus relating to the ordinary shares issuable upon exercise of the Public Warrants and there is a conversion right under the terms of the Public Warrant Agreement, then holders will only be able to exercise the Public Warrants on a "cashless basis."

If Vertical does not maintain a current and effective prospectus relating to our ordinary shares issuable upon exercise of the Public Warrants and there is a conversion right under the terms of the Public Warrant Agreement, at the time that holders wish to exercise such Public Warrants, then they will only be able to exercise them on a "cashless basis." As a result, the number of ordinary shares that holders will receive upon exercise of the Public Warrants will be fewer than it would have been had such holders exercised their Public Warrants for cash. Under the terms of the Public Warrant Agreement, Vertical has agreed to use commercially reasonable efforts to maintain a current and effective prospectus relating to the ordinary shares issuable upon exercise of the Public Warrants until the expiration of the Public Warrants. However, we cannot assure you that we will be able to do so in a timely manner or at all. If we are unable to continue to maintain a current and effective prospectus, and there is a conversion right existing under the terms of the Public Warrant Agreement, the potential "upside" of the holder's investment in Vertical may be reduced.

Item 4. Information on the Company.

A. History and Development of the Company

Vertical Aerospace Ltd., or "Vertical," is an exempted company with limited liability under the Companies Act incorporated under the laws of the Cayman Islands on May 21, 2021. Exempted companies are Cayman Islands companies whose operations are conducted mainly outside the Cayman Islands. Vertical was formed for the sole purpose of effectuating the Business Combination, which was consummated on December 16, 2021.

Prior to the Business Combination, Vertical had no material assets and did not conduct any material activities other than those incidental to its formation and the matters contemplated by the Business Combination Agreement, such as the making of certain required securities law filings. Upon the closing of the Business Combination, Vertical became the direct parent of VAGL, a manufacturer that designs, manufactures and sells zero operating emission eVTOL (as defined below) aircraft.

For an overview of the history of VAGL, see "*—B. Business Overview—Our History*."

The principal executive office of Vertical is Unit 1 Camwal Court, Chapel Street, Bristol BS2 0UW, United Kingdom, and the telephone number of Vertical is +44 117 457 2094. Our agent for service of process in the United States is Cogency Global Inc., whose address is 122 East 42nd Street, 18th Floor, New York, New York 10168.

The website address of Vertical is https://vertical-aerospace.com. The information contained on the website does not form a part of, and is not incorporated by reference into, this Annual Report. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, such as Vertical, at http://www.sec.gov.

For a description of our principal capital expenditures and divestitures for the three years ended December 31, 2021 and for those currently in progress, see "*Item 5. Operating and Financial Review and Prospects*."

B. Business Overview

Overview

Our mission is to make air travel personal, on-demand and carbon free. We are a leading British electric vertical takeoff and landing ("eVTOL") manufacturer pioneering the transition to carbon free aviation, focused on designing, manufacturing and selling one of the world's best zero operating emission eVTOL aircraft for use in the AAM market, using the most cutting-edge technology from the aerospace, automotive and energy industries.

Founded in 2016, we come from a deep aerospace and automotive mindset and have already designed, built and flown two prototype eVTOL aircraft in 2018 and 2019. We are currently developing, and in the process of certifying, our flagship eVTOL, the VX4. Capable of transporting a pilot and up to four passengers, traveling distances of over 100 miles, and achieving top speeds of over 200 miles per hour ("mph"), while producing minimal noise and zero operating emissions.

The VX4 aircraft was designed around existing and certifiable technology, using an experienced team that has previously certified and supported the development of over 30 aircraft and propulsion systems around the world. We are currently one of the only eVTOL designers and original equipment manufacturers ("OEM") actively pursuing certification from the United Kingdom's CAA or the EASA with a winged vehicle using already-available technology. By achieving certification for our VX4 eVTOL aircraft from the CAA and EASA (which we expect to happen concurrently as EASA has agreed to concurrently validate the CAA's certification), we will be able to leverage the work done with our home regulator in order to have the certification validated by other regulators where we intend to operate, including the United States Federal Aviation Authority ("FAA"). We are focused on selling globally certified eVTOL aircraft to a variety of customers, including commercial airlines and in-country partners.

We have been researching and innovating for the last six years to bring our best-in-class electric aircraft to the global market. Using superior technology, we are creating aircraft that produce minimal noise and zero operating emissions, and we aim to have our aircraft certified to the same safety standards as commercial airlines, rather than the significantly lower threshold at which helicopters are currently certified. We are developing a sophisticated eVTOL ecosystem that allows us to focus on providing a high-quality experience. Our in-house expertise covers design, certification, assembly and manufacture, pilot experience, end-user experience and base platform performance.

We have forged strong relationships with industry-leading players to develop the various components of our aircraft. We are co-developing our powertrain and flight controls systems with Rolls-Royce and Honeywell, respectively, to unlock maximum performance with safe and simple to operate controls, reducing pilot workload and thereby reducing pilot training and operating costs. We are collaborating with Microsoft to create our digital systems for both our manufacturing facilities and our aircraft, which will provide rich data sets as well as deliver a truly cloud-connected aircraft. This capability will enable us to further streamline and create more efficiencies across our manufacturing processes, aircraft operations and maintenance. Our proprietary battery system utilizes small-format cylindrical cells to provide high power density while at the same time, being low-cost, highly reliable and use a sustainable supply chain, as well as utilizing safety features to ensure safety across all operations. Our advanced rotor system uses four tilting rotors at the front of the aircraft and four stowable rotors at the rear to enable high efficiency in all phases of flight and support a vehicle noise signature that we believe will be 70dBA in hover, equivalent to 30 times quieter than a helicopter in take-off and approach, and 43dBA, or 100 times quieter than a helicopter, in cruise. We are working with Solvay, one of the world's leading chemical and advanced materials companies, to ensure that our materials and composites are high-quality and sustainably sourced, as well as with a leading aerospace and automotive engineering business, GKN Aerospace, to provide the electrical wiring interconnection systems ("EWIS") and wings for our aircraft. Combined, these features provide a flexible design to address different markets and a scalable design to facilitate manufacturing. We believe these relationships will allow us to provide superior products at scale, while maintaining a lean cost structure and taking advantage of both internal and external research and development synergies.

Our ability to develop industry-leading aircraft is rooted in our team's unique depth of talent, extensive experience and exceptional culture. Our senior team includes proven entrepreneurs and technical expertise handpicked from the aerospace and advanced automotive industries. As of December 31, 2021, we employed over 140 engineers who share over 1,700 total years of engineering experience where safety, efficiency and scale are paramount, together with more than 400 years of experience in Formula 1, automotive and technology sections, adding technological expertise, performance and agility to our team. The complementary skill sets of our handpicked, high-class team are critical to the success of the aircraft designs and our business.

We aim to be the leading eVTOL aircraft OEM for commercial airlines, aircraft leasing companies, charter airlines, existing helicopter operators as well as new operators in the AAM market, providing both OEM sales and aftermarket services to our customers. We also believe there is a potential market to provide OEM sales to a variety of industries beyond traditional airline and helicopter customers, such as tourism, where there is an opportunity to replace existing transportation options like minibuses, and the cargo and logistics industry, where there is potential to partner with global logistics firms and large retail customers. There is a further opportunity to generate revenue from other sectors such as emergency services, as eVTOL aircraft can be used for emergency patient and supplies transport, particularly in densely populated areas or military transport, among other potential uses. Our strategy is to forge partnerships in key markets with partners that have existing demand and are local trusted brands with market-specific knowledge. We believe that by partnering with such market players, we can extend their business models and build a

market ecosystem that will allow us to expand our proposition over time. Our focus on system integration and establishment of an industrial supply chain is expected to enable rapid scaling of production of our aircraft.

Market Opportunity and Marketing Strategy

We believe that deploying a new type of aerial mobility network in cities represents an extensive market opportunity that we expect to expand over time. We intend to seize on the untapped demand for getting into and out of city centers globally, as certain existing travel methods can be impractical, inconvenient or unaffordable. We believe that we have a significant opportunity to meet this untapped demand in the AAM market, with the urban air mobility market currently projected to grow to a total addressable market size of $1 trillion by 2040, according to Morgan Stanley.

We believe that our aircraft will be competitive in several existing sectors, including helicopters, which had a total addressable market of $50 billion in 2019 and the ride hailing and taxi sector, which had a total addressable market of $302 billion in 2019, according to Statista Reports. We also see longer term future potential in the commercial airlines sector, which had a total addressable market of $538 billion in 2019, and that of private jets, which had a total addressable market of $24 billion in 2019, according to the Statista Reports, through providing an opportunity to improve the door-to-door journey time and overall experience.

With high population densities and transit activities, intercity markets will be one of the key growth drivers in the AAM market in the upcoming years. According to our analysis, in Europe there are 240 viable journeys between cities with a population of more than 300,000 people within the 100 mile range of the VX4, representing a significant opportunity to capitalize on intercity travel, such as travel from London to Bristol or Nice to Monaco. In 2019, Eurostar had 11 million passengers annually, with EU rail having 8 billion passengers in 2018, representing the high amount of transit opportunities among European cities.

In addition to inter-city opportunities, we see a number of very attractive hub-spoke markets such as the United Kingdom, where there are 37 towns and cities with populations over 100,000 inhabitants within 100 miles of Heathrow Airport. These towns and cities represent a target population of 7.7 million (excluding London), based on our internal analysis, that could be connected into the Heathrow hub. In addition to high-frequency central business district hub shuttle services such as JFK to Manhattan and Heathrow to London city center, there are a number of high gross domestic product per capita target markets for fast, zero operating emission air taxi services to and from similar airports, representing an attractive market for first and business class propositions.

Our marketing and communications strategy is based upon a three-pronged approach: build awareness of the Vertical brand, communicate our business narrative, and build a trusted and credible reputation with our customers, partners and wider audience. The short-term focus is to solidify our industry credibility and success with talent recruitment, with the intent of establishing Vertical as a leading OEM in electric aerospace. Critical to our success so far has been the establishment of a globally-recognized partner ecosystem which has been developed through focusing on the goal of technological and design superiority of the VX4, our pathway to certification and unique business model. The intent is to position Vertical as the most attractive OEM to partner with, and that we are building the ecosystem required to make electric aviation a reality.

We also recognize that pioneering electric aviation requires social and political support. Hence, we are intending to inspire advocacy within opinion leaders, aerospace industry and regulators with a purpose-based product marketing approach. For our marketing approach this includes showing powerfully effective use case applications of the VX4 with our partners to demonstrate the difference our eVTOL will make to everyday travel, alongside an appealing design approach of our product and customer journey.

To position Vertical as the leading OEM brand we are focused on amplifying our message across earned, paid and owned channels as well as industry events. The intelligent deployment of campaigns, digital content, thought leadership and events will activate our owned channels including social media with the goal establishing followership and engagement. Our communications function will play a major role in articulating, persuading and inspiring our audiences of the opportunities within eVTOL travel and our business model, while we continue to inform the market of our company progress via media outreach, podcasts, blog, social media and keynote speeches at industry-leading conferences and events. By collaborating and synergizing our marketing with our network of renowned international partners, we intend to continue developing our company reputation through combined marketing activities. Ultimately,

the marketing strategy supports delivery of the Vertical message of brand purpose, mission focus and business progress to deliver a cohesive, transparent and fact-based company profile to our external stakeholders.

Our Business and Strategy

Focus on Certification

Safety is our highest priority. We are working to meet the most stringent aircraft certifications around the world, and our aircraft has been designed with certification in mind from the beginning. We are currently one of the only eVTOL designers and OEMs actively pursuing certification from the CAA or EASA with a winged vehicle using already-available technology. We expect to achieve concurrent type certification from the CAA and EASA for our VX4 aircraft during 2025, with validation from the FAA expected to follow thereafter.

We have successfully flown two full-scale prototype eVTOL aircraft in the United Kingdom. The VA-X1, our first prototype, was flown in 2018 as our proof-of-concept aircraft. This was a single seater eVTOL with four electric engines, each inside a ducted fan. The VA-X2 flew in 2019 and successfully demonstrated safe flight with a deliberate "motor-out," which is a critical step in obtaining EASA certification. The VA-X2 was a two seater, eight rotor aircraft that was capable of carrying up to 250 kg at speeds of up to 50 mph. We have successfully tested our aircraft prototypes under CAA approvals.

To achieve type certification, new aircraft designs are required to undergo a rigorous assessment of the design where we demonstrate compliance against the strict airworthiness requirements. A type certificate for the aircraft's design is an essential pre-requisite for any individual aircraft of that design to be issued with a Certificate of Airworthiness from the relevant local airworthiness authority, which, in turn, allows the owner to fly that aircraft. This is a time-consuming and intense process, often extending over several years, which requires extensive ground and in-flight testing with authorities, engineers and flight test pilots across a fleet of multiple aircraft. We believe that we are better placed than our direct competitors to meet EASA Validation of the Type Certificate, since from the initial design phase, we designed our aircraft around meeting the criteria of the EASA. We believe that we are currently on track to obtain our type certification from the CAA and EASA on our expected timetable.

We have been working with the CAA, EASA and European Organization for Civil Aviation Equipment ("EUROCAE") to establish the specific design criteria (certification specifications) and means of compliance that apply to eVTOL aircraft. We and our partners participate on several working groups with the EUROCAE, including chairing the EUROCAE eVTOL Working Group Electrical Panel, participating on the electrical, lift/thrust, safety, flight and avionics working groups and having one-on-one discussions with the CAA and EASA to assist with tailoring and creating the requirements for eVTOL aircraft. By working closely with the CAA and EASA to obtain certification in our home markets of the United Kingdom and European Union, we believe that the knowledge and expertise that we will gain from obtaining certification in these areas can give us a competitive advantage that we can leverage to assist us with obtaining similar certifications in other global markets.

Many airworthiness authorities around the world have not yet declared their specific certification requirements for VTOLs; however, it is likely that they will broadly align with either the CAA, EASA or FAA's requirements. Given the stringent and rigorous safety requirements of CAA and EASA certifications, we believe that our design will meet the certification needs for any jurisdiction of our customers. We believe that our strong strategic partnerships with our technology partners, in particular, Honeywell and Rolls-Royce, who have deep experience and pedigree in certifying against these standards, will give us a competitive advantage over our competitors. We have carefully and intentionally designed our aircraft with these standards in mind.

The VX4: One of the Most Advanced eVTOL Aircraft Globally

The VX4 is our eVTOL aircraft at the center of our go-to-market strategy. After designing, building, testing and flying two earlier prototypes, the VA-X1 and the VA-X2, we unveiled the four passenger VX4 in 2020, which we believe is one of the most advanced eVTOLs globally. The VX4 is designed to provide for a capacity of up to five people (one pilot, four passengers) and travel distances of over 100 miles, and achieving top speeds of over 200 mph. In line with our mission to be carbon free, the VX4 is fully electric and will produce zero operating emissions in flight. The VX4 has four tilting frontal rotors allowing it to take off vertically. The rotors rotate after takeoff and into flight mode. Based on our internal calculations, its noise levels are expected to be 100 times quieter in cruise compared to a

helicopter in cruise. The VX4 is also is expected to be up to 100 times safer than a helicopter in line with what we expect from the CAA and EASA regulations for eVTOL aircraft.

The interior of VX4 has been designed to create an outstanding passenger experience with doors on both sides of the aircraft allowing passengers to enter and exit with ease. There will be a separate luggage compartment that we expect will be capable of taking approximately 45 pounds (or 20 kilograms) of luggage per passenger plus additional room for small luggage under each passenger seat, with a total payload of approximately 990 pounds (or 450 kilograms). The VX4 has large side windows, providing spectacular views for the passengers.

Develop Strong eVTOL Ecosystem

Our business model is asset light. We have focused on creating an ecosystem that is a combination of key proprietary components that we have developed internally and strong strategic partnerships with industry leaders in order to design and manufacture the best eVTOL aircraft. We believe that this model will allow us to be more agile, flexible and reactive to future technologies and opportunities, as well as provide competitive user economics, which we expect will allow us to more rapidly scale our production once we have obtained certification. Based on our current projections, we expect to achieve break-even profitability at around 100 aircraft per year.

Creating and Investing in Proprietary Designs and Superior Technology

We have invested and will continue to invest in certain proprietary features of our aircraft, including our battery system and rotor design. Our proprietary battery system utilizes small-format cylindrical cells to provide a high performance, low-cost, highly reliable and sustainable supply chain while ingraining safety features to make them resistant to unsafe operation. Our advanced rotor system uses four tilting rotors at the front of the aircraft and four stowable rotors at the rear to enable high efficiency in all phases of flight, with an impact tolerant and redundant rotor structure that enables commercial aviation safety levels while supporting a vehicle noise signature that we believe will be 70dBA in hover, equivalent to 30 times quieter than a helicopter in take-off and approach, and 43dBA, or 100 times quieter than a helicopter, in cruise.

Combining Proprietary Systems with Strategic Partners with Industry-Leading Expertise

We believe that our strategic partnerships create a sophisticated eVTOL ecosystem that allows us to focus on creating value for our customers throughout the process. We sought out partnerships with industry leaders across critical components required to successfully design, develop and operate our aircraft. We have established strong collaborations and relationships with Rolls-Royce, Honeywell, Microsoft, Solvay, GKN Aerospace and Leonardo on the industrial side to develop components and support the manufacture our aircraft.

Powertrain — Rolls-Royce

Together with Rolls-Royce, one of the world's leading industrial technology companies, we plan to co-develop our electrical propulsion unit or powertrain system to be one of the world's lightest and safest eVTOL powertrains in order to unlock the maximum performance from our VX4. Rolls-Royce has extensive experience in the development and certification of high-criticality aerospace products and an established supply chain that is certified to deliver airworthy components globally and at scale. In connection with our collaboration with Rolls-Royce, Rolls-Royce invested $14 million as an investor in the PIPE Financing in connection with the Business Combination.

Flight Controls — Honeywell

We have partnered with Honeywell, a leading technology and manufacturing company, to develop our next-generation avionics and flight controls that significantly reduce pilot workload. We believe the combination of our advanced flight control systems that have a high level of automation and state-of-the-art cockpit human machine interface will be key to reducing pilot workload, minimizing pilot training and operating costs. Our VX4 uses an advanced control system that is based on the system created for the Lockheed Martin F-35, and the triple-redundant architecture safety features of this system are expected to be certified to the same safety standards as commercial airlines. Our partnership with Honeywell provides us with globally recognized services that encompass the design, development and provision of avionics, fly-by-wire navigation and connectivity solution for eVTOL. In connection with our collaboration, Honeywell has invested $10 million as an investor in the PIPE Financing in connection with the Business Combination.

Digital Systems — Microsoft

We are collaborating with Microsoft in two key areas: the co-development of cloud architecture and high-performance computing. We are co-developing state-of-the-art cloud architecture that will enable enterprise digital services and operational optimization. The combination of the electrification of aviation with advanced flight controls and avionics results in a significant amount of digital information to be collected and transmitted by our aircraft. We believe our partnership with Microsoft will enable highly differentiated service offerings to end-customers and vehicle operators, as well as our own industrial optimization. This includes state-of-the-art aircraft health monitoring, predictive maintenance and smart battery charging systems with advanced diagnostics, aircraft integration with the air traffic management and customer services ecosystems and the ability to fully leverage industry 4.0 across our assembly lines and supply chain. As part of this partnership, we will be working with Microsoft to jointly demonstrate a sustainable end-to-end computer system capability for designing our aircraft.

In the area of high-performance computing, Microsoft is using Vertical as a pathfinder to further enhance and optimize its cloud computing systems to support a wide range of advanced engineering simulations. This will extend the work we are already conducting on whole-aircraft aerodynamics, noise and structural analysis into increasingly sophisticated multi-physics simulations that enable a highly optimized aircraft and significant reduction in design and test iterations. In connection with our collaboration, Microsoft invested a total of $26 million into our business, which includes a $5 million investment in the PIPE Financing in connection with the Business Combination.

Composites — Solvay

We partnered with Solvay, a global leader in materials, solutions and chemicals, to create the full suite of composite materials and adhesives for our aircraft. Solvay brings extensive expertise across aerospace, motorsport and automotive, and Solvay is pioneering the development of advanced composite materials and manufacturing technologies that bring the benefits of lightweight solutions that can be manufactured with a high degree of automation, using the minimum amounts of materials to enable high production rates and low costs. Working closely with Solvay has ensured that our aircraft structure and battery containment system are not only composed of high quality materials, but also that we are sourcing our materials in a sustainable and innovative way.

Electrical Wiring Interconnection Systems and Wings — GKN Aerospace

We are working together with GKN Aerospace, a provider of cutting-edge components for some of the world's leading aircraft and helicopters, to create the EWIS and wings for our aircraft. GKN Aerospace designs and manufactures aerospace systems and components for a variety of aircraft and engine manufacturers around the world, and its high-volume production capabilities are expected to help drive the global production of the VX4. We expect that the EWIS and wings provided by GKN Aerospace will contribute to lower costs, weight and emissions of the VX4, as well as help improve the overall performance of our aircraft.

Carbon composite fuselage – Leonardo

Leonardo SpA ("Leonardo") is the most recent tier-one aerospace company to join our industrial partnership ecosystem. Leonardo is a world leader in advanced composite aerospace structures, producing one-piece barrel sections and horizontal stabilizers for aircraft such as the Boeing 787. Leonardo will bring its technology and scale manufacturing experience to bear in the manufacture of the fuselage for the VX4.

Building Commercial Partnerships for the Future

We have entered into strategic and commercial arrangements with American Airlines, Virgin Atlantic, Marubeni, Iberojet, Avolon and Bristow in order to further our global route to market strategy.

American Airlines

We launched a partnership with the world's largest airline, American Airlines, as a cornerstone for our go-to-market deployment in the United States. American Airlines has agreed to pre-order, subject to certain conditions

precedent, up to 250 of our aircraft, with an option to order an additional 100 aircraft, which has an aircraft order value of approximately $1 billion to $1.4 billion. Beyond aircraft sales, we expect to work together with American Airlines on creating an ecosystem to bring AAM to the United States including the necessary infrastructure, route planning, propositions, pricing, certification and regulation. As part of this partnership, American Airlines will benefit from certain equity incentives upon the fulfilment of the commitment to purchase aircraft.

Virgin Atlantic

We also are partnering with Virgin Atlantic to explore a joint venture for eVTOL ridesharing operations in the United Kingdom. The joint venture will look to develop a short-haul eVTOL network, including customer and aircraft operations and infrastructure development. We believe our partnership with Virgin Atlantic will create the blueprint for bringing eVTOL operations to other key global markets in an effort to bring ridesharing through short-haul eVTOL to other intercity opportunities around the world. As part of our agreement, Virgin Atlantic has a pre-order option for up to 50 of our aircraft, with an option to order an additional 100 aircraft, which has an aircraft order value of between $0.2 billion and $0.6 billion.

We will use our partnership with Virgin Atlantic to explore providing a ridesharing service directly to consumers. We intend to partner with other existing operators and infrastructure players in other markets to deliver our eVTOL flight services in addition to our existing OEM sales and services operations. We believe this flexible hybrid approach will allow us to access and efficiently capture more of the total addressable market while providing us with end-to-end control over the customer experience to optimize for customer safety, comfort and value.

Marubeni

We are partnering with Marubeni, a leading Japanese integrated trading and investment business conglomerate, to explore sustainable, emissions-free AAM travel solutions in Japan. Marubeni has agreed to pre-order, subject to certain conditions, up to 200 of our aircraft, with an aircraft order value of approximately $800 million. We and Marubeni will create a joint venture that will evaluate the requirements for eVTOL operations in Japan, which includes other commercial considerations such as route and network planning, infrastructure requirements and capacity, as well as engaging with other parties interested in launching AAM travel solutions in Japan.

Together with Marubeni, we expect to accelerate our entry into the Japanese market and offer Japanese consumers a safer, faster, cheaper and greener alternative to current short haul options in the country. We believe that with its regulatory and technological advantages, such as its capacity to operate high frequency eVTOL traffic in a safe environment, Japan has great potential in terms of commercializing the AAM market, and that eVTOLs have a number of use cases in Japan, such as inter-city, intra-city, airport shuttle and life support operations, that will benefit both customers and communities.

Iberojet

We launched a partnership with Iberojet, which is part of the Avoris Group, a leading travel group in the Spanish and Caribbean markets, in order to explore business collaboration opportunities in AAM, focusing on inter-island travel in the Balearic Islands and Canary Islands, airport passenger feeder operations and the distribution of long haul customers to touristic destinations to/from resorts and airports. Iberojet has agreed to pre-order, subject to certain conditions, up to 100 aircraft, with an aircraft order value of approximately $400 million. We agreed to create a joint working group with Iberojet to evaluate the foregoing AAM opportunities, as well as collaborate on identifying key regulatory bodies in key markets of anticipated operation; analyzing demand, fleet size, infrastructure and storing requirements; identifying potential infrastructure partners, investors and developers; analyzing public acceptance and environmental requirements.

Avolon

We are partnering with Avolon, the world's second largest aircraft lessor with an extensive global network of airline and OEM relationships, to further expand our customer base in the AAM market. Avolon has existing, long-standing relationships with over 140 airlines globally and a track record of investing in new, innovative aerospace technology. Avolon will be our global go-to-market partner packaging aircraft, asset financing and services to enable forward thinking, entrepreneurial operators to establish AAM operations in new markets. Pursuant to its partnership agreement with us, Avolon has agreed to pre-order approximately 310 of our aircraft, with an option to purchase up to 190 additional aircraft, which has an aircraft order value of between $1.25 billion and $2 billion. On March 29, 2022 Avolon announced that it had leased its entire 500 aircraft pre-ordered from us, with the order book being oversubscribed by 50 aircraft, including 250 aircraft with GOL and Grupo Comporte in Brazil, up to 100 aircraft with

Japan Airlines in Japan, a minimum of 100 aircraft with AirAsia, and up to 100 aircraft with Gözen Holding in Turkey. In connection with our partnership, Avolon invested a total of $15 million in the PIPE Financing and we also issued certain equity warrants to Avolon in connection with the Business Combination.

Bristow

We launched a partnership with Bristow, a leading global provider of vertical flight solutions to government and civil organizations, to develop a joint working group to collaborate on identifying key regulatory bodies in key markets of anticipated operation; analyzing demand, fleet size, infrastructure and storing requirements; identifying potential key customers and markets; analyzing public acceptance and environmental requirements. Bristow has agreed to pre-order, subject to certain conditions, up to 50 of our aircraft, with an aircraft order value of up to $200 million. We believe that partnering with Bristow will enable us to accelerate the commercial operation of eVTOLs and effectively disrupt the helicopter market with our zero operating emissions, low operating cost VX4 as an alternative to traditional helicopters.

All of the pre-orders held by American Airlines, Virgin and Avolon are treated separately from their investments in our company through the PIPE. As of the date of this Annual Report, there have been no deposits made for any pre-orders of our aircraft. For more information about the conditions for each of the pre-orders from American Airlines, Avolon, Bristow and Iberojet, as well as the pre-order options from Marubeni and Virgin Atlantic, please see *"Risk Factors — Risks Related to Our Business and Industry — All of the pre-orders we have received for our aircraft are conditional and may be terminated at any time in writing prior to July 1, 2023 (or, in the case of American Airlines, July 1, 2025). If these orders are cancelled, modified, delayed or not placed in accordance with the terms agreed with each party, our business, results of operations, liquidity and cash flow will be materially adversely affected."*

Targeted Sales Approach

As an OEM, we plan to address a very extensive and diverse customer base: (i) airlines that want to extend the passenger experience into their main hubs, creating micro feeders and catchment networks, and transit to city centers and urban areas; (ii) regional airlines that will develop point-to-point routes; (iii) business aviation companies that will complement their offerings with a last-hop service to end destination; (iv) aircraft lessors that will financially support the delivery of business opportunities; and (v) existing helicopter operators that will progressively replace their light segment by our new generation of safer, cheaper and more sustainable aircraft, enabling new operations.

In order to ensure customer and market proximity, we aim to have a global commercial presence. Our regional teams will help us be local, understand regulatory frameworks, co-create business opportunities with our customer base and develop the required ecosystem to achieve success in each market.

We are developing standards and methodologies that will helps us scale and replicate efficiently while remaining lean and agile. We will capture lessons learned and improvements for future deployments.

Because we are not selling a traditional aircraft, we will actively enable the creation of an ecosystem, seeking out local partnerships with our customers and other key industry players in certain strategic markets, with the goal of expanding beyond those particular markets once we have gained the relevant experience.

We will work with local transport and aviation authorities, airspace, infrastructure, energy and mobility providers, together with our partners, to comply with local requirements and ensure that there will be the necessary infrastructure and regulations in place for our aircraft and for our partners' expected operations. A collective effort will be required of both us and our ecosystem partners in order to develop policies and ensure public acceptance, prepare infrastructure and airspace integration for future operations. We plan to undertake demand analysis and network simulation to allow us to anticipate societal and economical value. Our mission and concepts of operation, together with our strategic partnerships across key markets, will help us to ensure the effective integration of our aircraft and ecosystem with other existing transport means and networks.

We have already started executing our sales strategy through our partnerships with American Airlines, Avolon, Bristow, Iberojet, Marubeni and Virgin Atlantic. We also launched a partnership with Heathrow Airport, the United Kingdom's only hub airport and one of the world's top international aviation hubs, to explore how the VX4 could operate at Heathrow Airport. Together with Heathrow Airport, we will collaborate on identifying key regulatory challenges, identifying demand, fleet size and infrastructure requirements for eVTOL to fit into existing airport operations and identify key potential customers and stakeholders. We expect this partnership with Heathrow will help

create an ecosystem for sustainable air travel in the United Kingdom. We are working together with all our commercial partners to define the roadmap for the upcoming years that will enable safe entry into service in 2025.

We intend to continue sales both through strategic partners that are involved in our business and to other third parties.

We will listen to the voices of our customers and analyze potential market opportunities in tourism, cargo, medical and other public services, and eventually develop specific mission variants. We will explore the scaling of our vehicle into increased range and payload.

Provide Fulsome After Sales Services

After we begin sales of our aircraft, we expect to be able to provide significant additional value through our "Aircraft Services" business. Where required, we plan to partner with our customers to operate our aircraft; the expertise and knowledge we gain through the design, development, certification, manufacture and assembly of our aircraft will be critical to ongoing maintenance of our aircraft. We plan to develop global clusters, aligned to our OEM markets, to support pilot training, battery management and aircraft maintenance. We plan to partner with existing infrastructure players and deliver our eVTOL flight services over the top of existing operations.

Aircraft Services will be defined as an integrated package that will include services such as battery management, pilot training and licensing and general aircraft maintenance. Our aircraft are highly digital and will generate significant amounts of operational data. With our OEM knowledge and state-of-the-art Vertical Cloud Services that we are co-creating with Microsoft, our Aircraft Services segment will benefit from aircraft equipment health monitoring, vehicle and fleet operational and maintenance optimization and additional aftermarket services. By the time we launch our Aircraft Services, we expect to also be well-advanced in developing pilot simulators as part of our ongoing aircraft certification program, which we will be able to roll out as pilot training services.

One of the most critical components of the VX4 is our battery system, which is designed and manufactured in-house, given the unique requirements for eVTOL battery systems. The battery will be certified as part of the aircraft, and therefore, we believe that our OEM sales will drive an aftermarket revenue stream for battery replacements and upgrades. We intend to optimize battery utilization and replacement timing by leveraging the leading smart charging and advanced battery health diagnostics research we are currently undertaking. Furthermore, our battery is designed for re-use, taking out deteriorated cell packs for second life use in grid energy storage, while reusing the valuable aerospace grade electronics and composite battery packs. This is a key driver in achieving highly competitive vehicle operating costs and in the demand for our Aircraft Services. Once we have mastered this technology, we may expand these services into other industries that use similar battery systems, such as the wider electrification of transportation and stationary storage for grid applications.

Carefully Selected Team with Leading Aerospace and Automotive Expertise

We have an exceptional senior team that includes individuals handpicked from the aerospace and advanced automotive industries. Led by our Chief Executive Officer and founder, Stephen Fitzpatrick, a leading energy entrepreneur and founder of OVO Energy, Europe's largest independent energy retailer, Harry Holt, our Deputy Chief Executive Officer, who previously served on the Executive Team at Rolls-Royce, and our President, Michael Cervenka, who previously served as Head of Future Technologies, among other key roles, at Rolls-Royce, our team consisted of over 140 engineers as of December 31, 2021, who share over 1,700 total years of engineering experience where safety, efficiency and scale are paramount, as well as more than 400 years of experience in Formula 1, automotive and technology industries, adding technological expertise, performance and agility to our team. We believe that our management team is crucial to our success, including our ability to create proprietary systems and work closely with our strategic partners to bring what we believe will be the best eVTOL aircraft to market.

The complementary skill sets of our handpicked, high-class team are critical to the success of the aircraft designs and our business. We are headquartered in Bristol, the United Kingdom, which is at the center of the United Kingdom's aerospace cluster, where there are 3,000 companies in the United Kingdom alone, with the aerospace sector having the largest number of small and medium enterprises in Europe, providing over 282,000 jobs directly and indirectly. We also have an office in Oxford, the heart of the global Formula 1 cluster. Our strategic location provides us with a unique access to talent, and this depth of talent places us at the epicenter of the aerospace and Formula 1 technical and supply chain ecosystems, which we believe differentiates us from our competitors and increases the barriers to entry.

Designed for Scalable Manufacturing

We designed our aircraft with a focus on manufacturing and the fastest route to scale from day one. After receiving CAA and EASA certification, we anticipate rapid scaling as a result of the ecosystem we have built with the combination of our proprietary systems and strategic partnerships. We will be responsible for the overall manufacture and assembly of the aircraft and battery system and will leverage our partnerships with Honeywell, Rolls-Royce, Microsoft, Solvay, GKN Aerospace and Leonardo in order to deliver our aircraft as quickly as possible. Our strategy is to work with major aerospace suppliers to enable production ramp-up, which we believe is a significant differentiator for us.

We plan to develop a state-of-the-art manufacturing and assembly facility in the United Kingdom in 2024, followed by regional final assembly facilities in key markets as they develop. We aim to begin with staged production that will align with pre-orders from our strategic partners. While the components and sub-systems will be manufactured by our supply chain partners, we will carry out final assembly of the battery systems and the overall aircraft in our purpose-built facilities. By integrating our partners and suppliers into our manufacturing line, we expect to reduce operating costs while simultaneously spreading risk across the supply chain. This strategic partnership approach leverages the significant industrialization capabilities in our supply chain ecosystem, allowing us to focus on the assembly of our aircraft and avoid having to make significant investments in individual component and sub-system manufacturing.

We expect that in the near term, there will be significant market demand for eVTOL aircraft as a replacement to helicopters, which we believe will propel further market growth and help to grow new transportation opportunities. We anticipate scaling and growing our production capacity more quickly than our competitors due to the partnership-based ecosystem that we are creating, which we believe will allow us to meet this market demand quickly and efficiently.

We expect to initially produce lower volumes in the early years of production, while continuing to plan for higher volume manufacturing in the future.

Our Focus on Sustainable Manufacturing and Safety

We are designing our facilities and manufacturing processes to be efficient, safe and sustainable in order to minimize our carbon footprint and encourage us to be leaders in creating environmentally friendly manufacturing practices and aircraft. We have partnered with Solvay and Leonardo, global leaders in the future of composite materials in aerospace, to incorporate lightweight composite materials that allow our aircraft to be lighter, and therefore, more fuel efficient, while also providing a high-quality experience that exceeds that of metal parts.

Attractive Aircraft Unit Economics Driving Adoption

Our VX4 aircraft offers compelling operating costs across a wide range of potential missions. At a cost of approximately $1 per seat mile, our low operating costs will enable ridesharing operators to offer prices at only a small premium to taxi travel and at approximately one-fifth of the cost of existing helicopter ride-sharing services, which we believe are comparable to European premium rail fares, ensuring affordability for passengers and enabling mass adoption.,VX4 design will allow flexibility in operators running both intra-city and inter-city missions not just for passenger operations but also cargo, medivac and sightseeing. Compared to helicopters, we believe some of the key cost advantages of the VX4 will be: a reduced part count and complexity, lowering maintenance costs; cheaper energy costs from increased aircraft efficiency; simplified aircraft operations through simpler training and greater accessibility, which can ultimately lead to lower costs; and an expected greater utilization of the aircraft as a result of greater landing site utilization due to reduced noise and lower costs as demand for the aircraft increases over time and they gain more popularity. Benchmarking against existing helicopter ride-sharing operations and engaging in dialogue with our key strategic partners provides us with clearer visibility on operational costs.

We believe our low production costs and ability to rapidly scale production to meet customer demands will also help to drive our future OEM sales. Through our collaborative industrial partnerships with key component providers such as Honeywell, Rolls-Royce, GKN Aerospace, Leonardo and Solvay, we have strong confidence in our bottom-up component by component projected cost structure for the VX4. We have a number of production contracts both signed and under negotiation that include global aftermarket support and other services to support our production process. These cover an extensive proportion of the cost base of the aircraft and gives us strong certainty of what we can deliver in the future. Moreover, we believe our access through strategic partners to vast aerospace supply chains will allow us to rapidly increase production while maintaining our cost structure. Our strategic aerospace partners have the capabilities to manufacture at scale while meeting stringent aviation technical requirements, which gives us a competitive advantage against competitors with lower-specification automotive partnerships or start-up companies that have chosen to predominately vertically integrate their manufacturing activities.

Future Market Opportunities

We intend to leverage our expertise and position as a leading eVTOL aircraft OEM to generate revenue by providing services ancillary to our aircraft. We believe there are opportunities to address sectors that are adjacent to our core business, including delivery and logistics as well as emergency services and military applications, as well as selling and servicing battery systems and battery packs in other sectors such as automotive and stationary grid storage. Through our Aircraft Services business, we intend to leverage developments in our battery technologies and alternative methods of energy storage for use in other applications as well as other sectors in the future after we begin manufacturing our aircraft at scale.

Our Aircraft Services will include battery management, pilot training and licensing and aircraft maintenance. Our aircraft will use our proprietary battery systems, and we will be able to service battery systems by providing replacement hardware and smart diagnostics that we expect will enable optimum battery charging, operation and maintenance, as well as maintain an inventory of spares to support our aircraft around the world, providing redundancy at scale. In addition, our aircraft are highly digital and will provide significant amounts of operational data that we can use to generate additional revenue for our "Vertical Cloud Services" business.

We may also make forward investments to better address these market adjacencies over time. We are investing and will continue to invest strategically in these areas to ensure that we are well positioned to capture the benefits offered by these new technical developments. In certain cases, we expect that we may lead development and deployment efforts within our industry.

Government Regulation and Compliance

In the near term, our priorities include working with the CAA, EASA, FAA, and other regulators such as National Civil Aviation Agency of Brazil and Japan Civil Aviation Bureau in connection with the certification and validation processes of VX4, and working on policy engagements with regulators, decision makers and communities within our key markets.

Certification Processes

Design Certification

The purpose of the aircraft design certification process, known as "type certification," is to ensure that aircraft are designed and maintained at the highest and most meticulous safety and performance standards. Since 2018, we have engaged with the CAA and the EASA to ensure that our design and our organization will meet each regulator's requirements for type certification as early as possible in the process. Our path to certification leverages many existing technologies, processes and procedures in order to meet both existing and evolving regulatory standards. Our certification team works on defining tests and analyses that will be utilized to prove compliance to the CAA, EASA, FAA and other regulators based on the agreed certification basis.

To date, two of our prototypes have been flown under a CAA's experimental permit to fly. We believe we are one of only eight companies in the world to have successfully flown two full-scale eVTOL prototype aircraft as of April 1, 2022. With respect to the VX4, we have both unpiloted and piloted tests planned for 2022, which we will fly under Operational Approval and Permit to Fly. We have submitted our proposed certification basis to the CAA based on the "Special Condition for Small-Category Vertical Take-Off and Landing Aircraft," which establishes the safety requirements the VX4 needs to meet, and expect to formally agree with the CAA the certification basis for the VX4 during 2022. In addition, we will also be required to obtain and maintain a DOA from the CAA in order to be able to hold a type certification. We expect to receive our DOA during 2022, which we believe will cover the full scope required to hold a type certification for a commercial passenger carrying winged eVTOL. We intend to continue working side-by-side with the CAA and EASA as we design and develop our aircraft and create the manufacturing phases for our aircraft, and we expect to receive concurrent certification from the CAA and EASA in 2025, with validation from the FAA and other regulators expected to follow thereafter.

Production Certification

Aircraft manufacturing is heavily regulated in most markets. As we begin production, we expect to continue to interact with numerous government agencies and entities with respect to our production and quality systems. We are developing the systems and processes needed to obtain the required production organization approval from the CAA and intend to obtain this approval as part of the process of manufacturing conforming aircraft in the lead-up to obtaining a type certificate for the aircraft.

Airspace Integration

Our aircraft are designed to be operated under current flight rules and regulations with a qualified pilot in command onboard the aircraft. As such, fixed wing and rotary commercial pilots initially will be able to fly our aircraft once they have secured the necessary aircraft type rating approvals. As the eVTOL industry expands, we will work with pilots and regulators to explore opportunities to tailor the types of training required to fly eVTOL aircraft in a safe, effective manner and widen the pool of pilots qualified to safely fly the aircraft.

We also believe there are opportunities to expand ground infrastructure and create air traffic efficiencies, and we expect to work with local authorities and other stakeholders to identify and develop procedures along high-demand routes to support increased scale and operational tempo. In the long term, digital clearance deliveries, airspace authorizations and automated coordination between service providers and operators may be required to further increase airspace scalability. We expect to continue to be involved in the long-term activities to develop community-based concepts and technologies to further enable scaling towards mature and autonomous operations in order to ensure that our aircraft can provide the necessary benefits to our customers, regulators and the communities in which we operate.

Joint Working Group and Policy Engagements with Decision Makers

EASA regulations have significantly matured over the last two years, and our team has been at the forefront of shaping these regulations. For example, we chair the EUROCAE VTOL Working Group Electrical Panel. In addition, we have established joint working groups with our commercial and strategic partners. Through these groups, we have an ecosystem of partners with expertise or decision-making responsibility in all the key areas needed to bring the VX4 to market, including regulation, infrastructure, air traffic control, finance and operations. This ecosystem provides us with access to deep experience of flight operations and existing networks and local relationships that have been built over decades. This allows us to model the specific requirements in our various markets, including mission routes, developing network mapping, infrastructure needs and services such as pilot training and maintenance, repair and overhaul. We believe these joint working groups are a key component of bringing the VX4 to market and a key differentiator, and we expect to continue engaging with them in the medium to long term.

Noise Regulations

Our aircraft has been designed to minimize noise to enable access not only to existing aviation infrastructure, but to also allow for operations in and out of proposed new vertiports that are nearer to where people want to live and work. We believe our aircraft will have a noise profile in the range of 70dBA in hover.

Research and Development

We conduct extensive research and development to reduce technical risks associated with manufacturing our aircraft. The testing of this aircraft helps us to evaluate candidate system architectures and components for the certified production aircraft. Additionally, we are performing research and development on battery systems and other electric powertrain components in order to maximize the performance of our aircraft.

Intellectual Property

Our success depends, in part, upon our ability to protect our core technology and intellectual property. To establish and protect our proprietary rights, we rely on a combination of intellectual property rights, such as trade secrets, patents, patent applications, trademarks and copyrights, including know-how and expertise, and contracts, such as license agreements, confidentiality and non-disclosure agreements with third parties, employee and contractor disclosure and invention assignment agreements and other similar contractual rights. In particular, unpatented trade secrets in the fields of aerospace and automotive engineering are an important aspect of our business to ensure that our technology remains confidential. We also pursue patent protection when we believe we have developed a patentable invention and the benefits of obtaining a patent outweigh the risks of making the invention public through patent filings.

As of December 31, 2021, we have four pending patent applications (all of which have been filed with the U.K. Intellectual Property Office), of which two are International (PCT) applications and two are British patent applications. Our patents relate to our vehicle, propulsion systems, thermal management, rotor arrangements and rotor assemblies.

We regularly review our development efforts to assess the existence and patentability of new inventions, and we are prepared to file additional patent applications when we determine it would benefit our business to do so.

Our Competition

We believe that the primary sources of competition for our service are ground-based mobility solutions, other eVTOL developers/operators and local/regional incumbent aircraft charter services.

We believe the primary factors that will drive success in the AAM market include:

- the performance of our eVTOL aircraft relative to both competitive eVTOL aircraft and traditional aircraft,
- the ability to certify the aircraft and service operation in a timely manner,
- the ability to manufacture efficiently at scale,
- the ability to develop or otherwise capture the benefits of next generation technologies and
- the ability to deliver products and services to a high-level of quality, reliability and safety.

While there are differentiated approaches to vehicle designs and business models, we believe that our aircraft and business model offer the highest chance for success on a global scale. Our differentiated aircraft and advancement in certification position us well to be successful in the global markets.

Our Facilities

We are headquartered in Bristol, England, which is known as one of the largest aerospace areas in the United Kingdom, where we have our research and development facilities and flight test facilities. We also have a corporate office in London. All of our facilities are leased from third parties. Additionally, we are beginning the search for specialist facilities for the assembly, testing and production of our aircraft.

Seasonality

To date, we have not experienced any pronounced seasonality, but such fluctuations may have been masked by our rapid growth.

C. Organizational Structure

The legal name of our company is Vertical Aerospace Ltd. and we are organized under the laws of the Cayman Islands as an exempted company. In connection with the Business Combination, VAGL and Broadstone became wholly-owned subsidiary of Vertical. VAGL had one principal wholly-owned subsidiary, Vertical Advanced Engineering Ltd. ("*VAEL*"), which is organized under the laws of the United Kingdom and was disposed of on October 31, 2021.

D. Property, Plants and Equipment

Corporate Offices

We are headquartered in Bristol, England, which is known as one of the largest aerospace areas in the United Kingdom, where we have our research and development facility. Our facility in Bristol is leased for a term of ten years expiring in 2028. The lease covers an aggregate of approximately 35 thousand square feet. We also have a dedicated flight test facility located at Cotswold Airport, Kemble, England, United Kingdom. Our facility in Kemble is leased for a term of five years expiring in 2026. The lease covers an aggregate of approximately 50 thousand square feet. All of our facilities are leased from third parties. Additionally, we are beginning the search for specialist facilities for assembly, testing and production of our aircraft.

Financing

We expect to continue to use cash, including the proceeds of the Business Combination, the PIPE Financing and Convertible Senior Secured Notes to fund our continued expansion.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

You should read the following discussion of our operating and financial review and Annual Report in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report. The following discussion is based on our financial information prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board.

This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this Annual Report. See "Cautionary Statement Regarding Forward-Looking Statements." Our actual results could differ materially from those contained in any forward-looking statements.

The information called for by this Item 5, including a discussion of the year ended December 31, 2019 specifically as well as the year-over-year comparison of our 2020 financial performance to 2019 has been reported previously in our final prospectus filed pursuant to Rule 424(b)(4) on January 27, 2022 under the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Overview

Our mission is to make air travel personal, on-demand and carbon free. We are focused on designing, manufacturing and selling one of the world's best zero operating emission eVTOL aircraft for use in the AAM market, using the most cutting-edge technology from the aerospace, automotive and energy industries.

Founded in 2016, we come from a deep aerospace and automotive mindset and have already designed, built and flown two prototype eVTOL aircraft in 2018 and 2019. We are currently developing, and are in the process of certifying, our flagship eVTOL, the VX4. Capable of transporting a pilot and up to four passengers, traveling distances of over 100 miles, and achieving top speeds of over 200 mph, while producing minimal noise and zero operating emissions.

The VX4 aircraft was designed around existing and certifiable technology, using an experienced team that has previously certified and supported the development of over 30 aircraft and propulsion systems around the world. We are currently one of the only eVTOL designers and OEMs actively pursuing certification from the CAA or the EASA with a winged vehicle using already-available technology. By achieving certification for our VX4 eVTOL aircraft from the CAA and EASA (which we expect to happen concurrently as EASA has agreed to concurrently validate the CAA's certification), we will be able to leverage the work done with our home regulator in order to have the certification validated by other regulators where we intend to operate, including FAA in the United States. We are focused on selling globally certified eVTOL aircraft to a variety of customers, including commercial airlines and in-country partners.

We have been researching and innovating for the last six years to bring our best-in-class electric aircraft to the global market. Using superior technology, we are creating aircraft that produce minimal noise and zero operating emissions, and we aim to have our aircraft certified to the same safety standards as commercial airlines, rather than the significantly lower threshold at which helicopters are currently certified. We are developing a sophisticated eVTOL ecosystem that allows us to focus on providing a high-quality experience. Our in-house expertise covers design, certification, assembly and manufacture, pilot experience, end-user experience and base platform performance.

We aim to be the leading eVTOL aircraft OEM for commercial airlines, aircraft leasing companies, charter airlines, existing helicopter operators as well as new operators in the AAM market, providing both OEM sales and aftermarket services to our customers. We also believe there is a potential market to provide OEM sales to a variety of industries beyond traditional airline and helicopter customers, such as tourism, where there is an opportunity to replace existing transportation options like minibuses and the cargo and logistics industry, where there is potential to partner with global logistics firms and large retail customers. There is a further opportunity to generate revenue from other sectors such as emergency services, as eVTOL aircraft can be used for emergency patient and supplies transport, particularly in densely populated areas or military transport, among other potential uses. Our strategy is to forge partnerships in key markets with partners that have existing demand and are local trusted brands with market-specific knowledge. We believe that by partnering with such market players, we can extend their business models and build a market ecosystem that will allow us to expand our proposition over time. Our focus on system integration and establishment of an industrial supply chain is expected to enable rapid scaling of production of our aircraft.

Components of Results of Operations and Trends and Other Factors Affecting our Business

The following briefly describes the components of revenue and expenses as presented in our consolidated statements of operations and trends and other factors affecting our business.

Impact of the COVID-19 Pandemic

The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak of a novel strain of coronavirus, or COVID-19 pandemic. There are many uncertainties regarding the current global COVID-19 pandemic, and we are closely monitoring the impact of the pandemic on all aspects of our business, including how this will impact our employees, suppliers and business partners.

The effects and potential effects of COVID-19, including, but not limited to, its impact on general economic conditions, trade and financing markets, changes in customer behavior and continuity in business operations creates significant uncertainty. The spread of COVID-19 also disrupted the manufacturing, delivery and overall supply chain of aircraft manufacturers and suppliers and has led to a global decrease in aircraft sales in markets around the world. In particular, the COVID-19 crisis may cause a decrease in demand for our aircraft if our customers delay purchases of aircraft, an increase in costs resulting from our efforts to mitigate the effects of COVID-19, delays in our schedule to full commercial production of electric aircraft and disruptions to our supply chain, among other negative effects.

Government authorities implemented many measures to contain the spread of COVID-19, including travel bans and restrictions, quarantines, shelter-in-place and stay-at-home orders and business shutdowns. These measures may be reinstituted if conditions deteriorate, which could adversely affect our start-up and manufacturing plans. Measures that have been relaxed may be re-implemented if COVID-19 continues to spread. If, as a result of these measures, we have to limit our number of employees at a given time, this could cause a delay in tooling efforts or in the production schedule of our aircraft. Further, our sales and marketing activities may be adversely affected due to the cancellation or reduction of in-person sales activities, meetings, events and conferences. If our workforce is unable to work effectively, including due to illness, quarantines, government actions or other restrictions in connection with COVID-19, our operations will be adversely affected. We may also experience an increase in the cost of raw materials. We do not anticipate any material impairments as a result of COVID-19 and will continue to evaluate on an ongoing basis.

The full impact of the COVID-19 pandemic continues to evolve. As such, the full magnitude of the pandemic's effect on our financial condition, liquidity, and future results of operations is uncertain. Our management continues to actively monitor our financial condition, liquidity, operations, suppliers, industry and workforce. See Item 3.D. "*Risk Factors— We are subject to risks related to health epidemics and pandemics, including the ongoing COVID-19 pandemic, which could adversely affect our business and operating results.*"

Impact of the War in Ukraine

Although we do not have any operations or direct suppliers located in Ukraine or Russia and have not yet experienced any direct impacts from the conflict, we believe our continuing design and development activities, regulatory certification processes and ability to contract with prospective customers, suppliers and other counterparties, as well as to progress to the production, manufacturing and commercialization of the VX4, could be adversely affected by the conflict between Russia and Ukraine. For example, the continuance or any escalation of the conflict could result in disruptions to our business and operations, increase inflationary pressures and adversely affect our anticipated unit and production costs, increase raw material costs and cause further disruption to supply chains, impacting our ability to successfully contract with suppliers, and have other adverse impacts on our anticipated costs and commercialization timeline. Russia provides most of the titanium used globally in aircraft manufacture, which we expect to require for certain components in our aircraft. Existing or additional government actions, including sanctions, taken in response to the conflict could also adversely impact the commercial and regulatory environment in which we operate. Such disruptions could similarly impact our data protection and design efforts, including if there are any increased cyberattacks or data security incidents as a result of the conflict, and negatively impact our corporate, research and development and production efforts and result in us incurring increased cyber security costs.

We continue to closely monitor the possible effects of the conflict in Europe and general economic factors on our business and planning. These factors put pressure on our costs for employees and materials and services we procure from our suppliers, as well as affect other stakeholders and regulatory agencies.

For additional information on risks posed by the conflict in Europe and general economic factors, see "*Item 3. Key Information — D. Risk Factors.*"

The Business Combination

On December 16, 2021, we consummated the Business Combination with Broadstone pursuant to the Business Combination Agreement dated June 10, 2021. The Business Combination had a significant impact on our capital structure and operating results, helping to facilitate our product development, manufacturing and commercialization. The most significant change in our reported financial positions was a net increase in cash (as compared to our consolidated balance sheet at June 30, 2021) of approximately $286 million. As a result of the Business Combination, we became a U.S. public company listed on the NYSE, which required us to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We have incurred, and expect to continue to incur, additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources.

Key Factors Affecting Our Performance

Commercialization

We are targeting to complete certification of our VX4 aircraft and commence manufacturing during 2025, with our first deliveries being made in that year. We believe that we are currently on target to achieve full certification and validation of our VX4 aircraft with the CAA and EASA during 2025, which is essential to launching the sales of our aircraft. We expect to commence the flight test programme for the VX4 aircraft in the summer of 2020. The programme will begin with a hover demonstration, followed by full wing-borne flight capablity.

We plan to deploy a direct sales capability with an extended timeframe to develop a sales pipeline in the period up to the release of our aircraft in 2025. We expect our salesforce to target prospects from a pool of over 5,000 airlines with ICAO codes worldwide that are seeking to capitalize on the growth of the advanced air mobility market. The other main channel to market is third-party distribution networks, and we have begun to develop relationships within the airline sector. As part of this approach, we have entered into arrangements with several commercial partners for multiple pre-orders of our aircraft. Within our direct sales channel, American Airlines has agreed to pre-order up to 250 aircraft, subject to certain conditions precedent and future agreed upon milestones, with an option to purchase an additional 100 aircraft. Bristow has agreed to purchase 25 aircraft, with an option for up to 25 additional aircraft, subject to certain conditions. Iberojet has agreed to purchase 20 aircraft, with an option for up to 80 additional aircraft, subject to certain conditions. Marubeni has a pre-order option to purchase up to 200 aircraft, subject to certain conditions. Virgin Atlantic has an option to purchase between 50 and 150 aircraft. Within our indirect channel sales channel, Avolon, the world's second largest aircraft leasing company, has agreed to pre-order up to 310 aircraft, with an option to pre-order a further 190. Taken together, these pre-orders totaling up to 1,350 aircraft are equivalent to the first two and a half years of our production capacity, illustrating the latent demand for our aircraft and the potential for resilience in the pricing of the VX4. Sales of 1,350 aircraft are estimated to deliver approximately $5.4 billion of revenue, with annual sales of around 100 aircraft projected to enable us to break-even in our financial performance.

Our commercial strategy focuses on selling aircraft to operators through the two channels described above. However, we expect that adopting a strategy of vertical integration along the eVTOL value chain would provide the potential to operate our own ride-sharing service in the future by leveraging the network of infrastructure developed for this sector.

Development of the Advanced Air Mobility Market

Our long-term financial performance ultimately depends on the demand for short distance (less than 200 miles) aerial transportation and the growth of the AAM market. We believe that we have a significant opportunity to meet untapped demand in the AAM market, with the urban air mobility market currently projected to grow to a total addressable market size of $1 trillion by 2040, according to Morgan Stanley. We, and the eVTOL sector more generally, seek to displace the current incumbents by taking market-share and/or benefitting from the incremental growth in demand.

There are two critical factors that will enable us to secure a prominent position in the AAM market: firstly, our ability to develop, certify and manufacture our aircraft, and secondly, the adoption of eVTOL as an alternative mode of transport by both operators and consumers. Our success in development and manufacturing will be dependent on overcoming several challenges around key manufacturing considerations, such as wing borne capability and battery efficacy. We plan to continue to invest in our infrastructure, research and development efforts and workforce to ensure that we will be able to deliver our aircraft to our customers in a timely manner.

While we believe that there will be a significant market for AAM in the future, there is a possibility that consumer resistance may be significant, as there may be misconceptions about eVTOL safety, performance and reliability. Additional factors impacting the pace of adoption of AAM and aerial transportation include but are not limited to: perceptions about eVTOL quality and cost; perceptions about the limited range over which eVTOL may be flown on a single battery charge; the evolution and availability of competing forms of transportation, such as ground or air taxi or ride-hailing services; the development of adequate infrastructure; consumers' perception about the convenience and cost of transportation using eVTOL relative to ground-based alternatives; and, in particular,

improvements in fuel efficiency, autonomy, or electrification of cars. In addition, macroeconomic factors could impact demand for AAM services, particularly if end-user pricing is at a premium to ground-based transportation alternatives. If the market for AAM does not develop as expected, this would impact our ability to generate revenue or grow our business.

Competition

We face immediate competition from other eVTOL manufacturers as well as ground-based mobility solutions, other eVTOL developers/operators and local/regional incumbent aircraft charter services. While we believe that we will be positioned to attain full certification and validation with the CAA and EASA during 2025, it is possible that our competitors could get to the market before us, either generally or in specific markets. Even if we are one of the first to market, any anticipated advantages may not crystallize if new companies or existing aerospace companies launch competing solutions in the markets in which we intend to operate and/or if any of our competitors obtain large-scale capital investment to speedily scale up their distribution capability. Existing AAM operators may also take actions to protect their customer base, which could prevent us from gaining market share in markets in which we intend to operate. In the event we do not capture the first mover advantage that we anticipate, it may harm our business, financial condition and operating results. For a more comprehensive discussion, please see Item 3.D. "*Risk Factors — Risks Related to Our Business and Industry.*"

Regulatory Landscape

We are, and will be, subject to significant regulation relating to aircraft safety and testing, accessibility, battery safety and testing and environmental regulation in the United States, European Union, the United Kingdom and other markets. These requirements create additional costs and possibly production delay in connection with design, testing and manufacturing of our aircraft. For more information, see Item 4.B. "*Business Overview— Our Regulatory Strategy*" and Item 3.D. "*Risk Factors — Risks Related to Our Regulatory Environment*" in this Annual Report.

Revenue

We are currently in the research and development phase of our journey to commercialization of eVTOL technology. We have not generated any revenue from design, development, manufacturing, engineering and sale or distribution of our aircraft. Revenue to date has been generated from the performance of engineering consultancy services. These services are ad-hoc and generally undertaken where we can strategically gain knowledge enhancement and skill development.

Cost of Sales

Cost of sales for planned manufacturing operations will consist primarily of the cost of vehicle components and parts, including batteries, raw materials, direct labor costs, warranty costs and costs related to the operation of manufacturing facilities, including plant and equipment depreciation and amortization. We expect our cost of goods sold to increase in absolute dollars to support our growth. However, we expect that, over time, cost of goods sold will decrease as a percentage of net revenue, as a result of the scaling of our business. Cost of sales for the current performance of engineering consultancy services relate to staff expenditure.

Operating Expenses

Research and Development Expenses

Research and development expenses consist of relevant staff costs, third-party engineering consultants, components and tooling, and program consumables and testing. Costs associated with development projects such as aircraft programs, component programs and software products are expensed rather than capitalized as intangible assets under construction. For more information about our accounting policy for intangible assets, refer to Note 2 in our financial statements included elsewhere in this Annual Report. We expect research and development expenses to increase as we continue to develop our aircraft technology. The accounting treatment for research and development costs is subject to ongoing review, applying IAS 38, and may potentially be capitalized in the future.

Administrative Expenses

Administrative expenses consist of the costs associated with employment of our non-engineering staff, the costs associated with our premises, and the depreciation of our fixed assets, including depreciation of "right of use"

assets in relation to our leased property. We expect administrative expenses to increase as our overall activity levels increase due to the construction and operation of our final assembly facility.

Administrative expenses also include share-based payment expenses arising from the Business Combination, including the PIPE Financing and the issuance of Z-Share to American Airlines. Administrative expenses also include the expense relating to the issuance and subsequent exercise of warrants issued to American Airlines and Avolon. See Note 7 to our consolidated financial statements included elsewhere in this Annual Report.

Related Party Administrative Expenses

Related party administrative expenses consists of costs from Imagination Industries Incubator Ltd., which is an entity controlled by Stephen Fitzpatrick, our majority shareholder and CEO. The nature of these costs is the provision of finance and payroll services and other back office services as required.

Other Operating Income

Other operating income consists of government grants to support our development activities and the research and development credit related to the United Kingdom research and development tax credit scheme.

Total Finance Costs

Finance Costs

Finance costs consist primarily of interest calculated on lease liabilities and both realized and unrealized foreign exchange losses that have been created due to the fluctuation of exchange rates between the US dollar, euro and the other currencies that we use for our operations.

Related Party Finance Costs

Related party finance costs comprises interest on loans from Imagination Industries Ltd., an entity which is controlled by Stephen Fitzpatrick, our majority shareholder and CEO.

Results of Operations

The following table sets forth the consolidated statements of operations in British pounds sterling and as a percentage of revenue for the periods presented.

	Year Ended December 31,		
	2021	2020	
	(in £ thousands)	(in £ thousands)	% Change
Revenue	132	87	52 %
Cost of sales	(64)	(44)	45 %
Gross profit	68	43	58 %
Research and development expenses	(24,291)	(9,971)	14 %
Administrative expenses	(264,260)	(3,760)	7,272 %
Related party administrative expenses	(108)	(144)	(25)%
Other operating income	11,352	2,317	390 %
Operating loss	(277,239)	(11,515)	2,308 %
Finance costs	32,498	(98)	(33,261)%
Related party finance costs	(483)	(709)	(32)%
Total finance costs	32,015	(807)	(4,067)%
Loss before tax	(245,224)	(12,322)	1,890 %
Income tax (expense)/benefit	—	(4)	(100)%
Net income/(loss)	(245,224)	(12,326)	1,889 %

For the years ended December 31, 2021 and 2020

Revenue

Revenue increased by £45 thousand, or 52%, from £87 thousand during the year ended December 31, 2020 to £132 thousand during the year ended December 31, 2021. This increase was primarily due to increased activity by VAEL. All revenue to date is generated from providing engineering consultancy services to customers.

Cost of sales

Cost of sales increased by £20 thousand, or 45%, from £44 thousand during the year ended December 31, 2020 to £64 thousand during the year ended December 31, 2021. This increase was primarily due to increased activity by VAEL. All revenue to date is generated from providing engineering consultancy services to customers.

Gross profit

Gross profit increased by £25 thousand, or 58%, from £43 thousand during the year ended December 31, 2020 to £68 thousand during the year ended December 31, 2021. Engineering consultancy services were provided that are ancillary and not core to our business. These services are ad-hoc and generally undertaken where we can strategically gain knowledge enhancement and skills development. Consequently, the absolute monetary amounts are small in comparison to our overall cost base, and the margins can vary significantly.

Engineering consultancy services provided are ancillary and not core to our business. These services are ad-hoc and generally undertaken where we can strategically gain knowledge and develop skills. Consequently, the absolute monetary amounts are small in comparison to our overall cost base, and the margins can vary significantly.

Research and development expenses

Research and development expenses increased by £14,320 thousand, or 144%, from £9,971 thousand during the year ended December 31, 2020 to £24,291 thousand during the year ended December 31, 2021. This increase was primarily due to increased researching and testing activity in relation to our aircraft.

Administrative expenses

Administrative expenses increased by £260,500 thousand, or 6,928%, from £3,760 thousand during the year ended December 31, 2020 to £264,260 thousand during the year ended December 31, 2021. This increase was primarily due to share based payment expense incurred in relation to the Business Combination. A total share based payment expense of £111,966 thousand was recognised during the year ended December 31, 2021, which includes £84,712 thousand in relation the capital reorganization. Administrative expenses also includes an expense of £111,610 thousand relating to the issuance of warrants. Please see note 7 to our consolidated financial statements included elsewhere in this Annual Report for more information.

Related party administrative expenses

Related party administrative expenses decreased by £36 thousand, or 25%, from £144 thousand during the year ended December 31, 2020 to £108 thousand during the year ended December 31, 2021. This decrease was primarily due to a lower reliance on services provided by Incubator.

Other operating income

Operating income increased by £9,035 thousand, or 390%, from £2,317 thousand during the year ended December 31, 2020 to £11,352 thousand during the year ended December 31, 2021. In 2020, we applied for a government grant with the United Kingdom's Aerospace Technology Institute and Innovate U.K. The grant period commenced on October 1, 2020. The receivable installments are recognized in other operating income as the matching sanctioned expenditure is incurred, with a retrospective claim process. For the year ended December 31, 2021, income

from government grants totalled £8,829 thousand and R&D tax credits totalled £2,388 thousand compared to £1,989 thousand and £328 thousand for the year ended December 31, 2020 respectively.

Finance costs (net of finance income)

Finance costs decreased by £6 thousand, or 7%, from £98 thousand during the year ended December 31, 2020 to £92 thousand during the year ended December 31, 2021. Finance income increased by £32,590 thousand, from £0 during the year ended December 31, 2020. This reflects fair value gains relating to warrants and Convertible Senior Secured Notes.

Related party finance costs

Related party finance costs decreased by £226 thousand, or 32%, from £709 thousand during the year ended December 31, 2020 to £483 thousand during the year ended December 31, 2021. This decrease was primarily due to lower levels of borrowings from Incubator.

Income tax expense

Income tax expense decreased by £4 thousand, from £4 thousand during the year ended December 31, 2020 to £0 during the year ended December 31, 2021.

Off-Balance Sheet Arrangements

We did not have during the period presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

JOBS Act

We are an emerging growth company, as defined in the JOBS Act. We intend to rely on certain reduced reporting and other requirements that are otherwise generally applicable to public companies. As an emerging growth company, we are not required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, which would otherwise be required beginning with our second annual report on Form 20-F, and (ii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis).

Recent Accounting Pronouncements

Certain new accounting standards and interpretations have been issued by the IASB, but are not yet effective for the December 31, 2021 reporting period and have not been early adopted by Vertical and its subsidiaries. These standards are not expected to have a material impact on the entity in the current or future reporting periods nor on foreseeable future transactions.

B. Liquidity and Capital Resources

The functional currency of the Company is USD and the functional currency of VAGL is GBP. The financial statements are presented in GBP, which is the Group's presentation currency. Note that in this section certain narrative financial information is shown in GBP and other information is shown in USD; typically, this is because we have incurred the majority of our costs in the UK and in GBP, while we expect customer payments and any external funding to be raised in USD.

We have incurred net losses since inception and to date have not generated any revenue from the design, development, manufacturing, engineering and sale or distribution of electric aircraft. Prior to July 2020, the principal activities of VAGL were carried out by Imagination Industries Aero Ltd. (formerly known as Vertical Aerospace Ltd.)

("*IIAL*"), a company incorporated under the laws of England and Wales that was founded and indirectly owned by our majority shareholder, director and Chief Executive Officer, Stephen Fitzpatrick. IIAL owned VAEL. In July 2020, IIAL transferred all of its operations and substantially all of its net assets to Vertical (the "*Vertical Aerospace Net Assets*"), and in February 2021, IIAL transferred its investment in VAEL to Vertical (collectively, the "*Reorganization*"). The Reorganization has been accounted for retrospectively as a transfer under common control. Please see note 14 to our consolidated financial statements included elsewhere in this Annual Report for more information.

As of December 31, 2021, we had cash and cash equivalents of £212,660 thousand. For the years ended December 31, 2021 and 2020, we incurred net losses of £245,224 thousand and £12,326 thousand, respectively. Our management has prepared a cash flow forecast for our consolidated group showing our ability to continue as a going concern for at least 12 months from the date of this Annual Report. Please refer to note 2 to our consolidated financial statements for the year ended December 31, 2021 included elsewhere in this Annual Report.

Our management currently estimates that from the Business Combination through to our expected profitability in 2025, we will require approximately $450 million, and such funding will be used to execute our business plan, which includes researching and testing our aircraft in order to obtain certification and beginning to scale production of our flagship aircraft, the VX4, during 2025.

Within the next 12 months following the date of this Annual Report, we expect our funding requirements to be approximately $130 million, which will be used to fund the creation and testing of our prototype aircraft, support the certification process and invest in additional personnel across both engineering and support functions required as a public company.

Our future capital requirements will depend on many factors, including:

- research and development expenses as we continue to develop our eVTOL aircraft;
- capital expenditures in the creation and expansion of our manufacturing capacities;
- additional operating costs and expenses for production ramp-up and raw material procurement costs;
- general and administrative expenses as we scale our operations;
- interest expense from any debt financing activities; and
- selling and distribution expenses as we build, brand and market our electric aircraft.

We expect to fund the capital requirements through to certification through the approximately $253 million we received in connection with the Business Combination, which includes $94 million in proceeds from the PIPE Investment and $192 million from the Convertible Senior Secured Notes, which consummated substantially simultaneously with the Business Combination, net of transaction costs.

We have also received conditional pre-orders for up to a total of 1,350 aircraft from American Airlines, Avolon, Bristow, Iberojet, with pre-order options from Virgin Atlantic and Marubeni. Certain of these pre-orders require that the purchaser pay a pre-delivery payment, which is credited against any future amount due and payable, and we expect to receive pre-delivery payments prior to delivering aircraft to each customer.

Until we generate sufficient operating cash flow to cover our operating expenses, working capital needs and planned capital expenditures, or if circumstances evolve differently than anticipated, we expect to utilize a combination of these pre-delivery payments, plus equity and debt financing, to fund any future capital needs. If we raise funds by issuing equity securities, there may be dilution to our shareholders. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of ordinary shares. If we raise funds by issuing debt securities, these debt securities may have rights, preferences, and privileges senior to those of preferred and common shareholders. The terms of debt securities or borrowings may impose significant restrictions on our operations. The capital markets have in the past, and may in the future, experience periods of upheaval that could impact the availability and cost of equity and debt financing.

Our principal uses of cash in recent periods have been funding our research and development activities and other personnel costs. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount of cash received from our customers, the expansion of sales and marketing activities, the timing and extent of spending to support our development efforts. In the future, we may enter into arrangements to acquire or invest in complementary businesses, products and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing we may not be able to raise such financing on acceptable terms or at all. If we are unable to raise additional capital or generate cash flows necessary to continue our research and development and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition. If adequate funds are not available, we may need to reconsider our expansion plans or limit our research and development activities, which could have a material adverse impact on our business prospects and results of operations.

Convertible Senior Secured Notes

On October 26, 2021, we entered into a convertible note subscription agreement (the "*Convertible Senior Secured Notes Subscription Agreement*") by and among the Company, Broadstone and Mudrick Capital Management L.P. (the "*Convertible Senior Secured Notes Investor*"). Concurrently with the consummation of the Business Combination, pursuant to the terms of the Convertible Senior Secured Notes Subscription Agreement, (i) the Convertible Senior Secured Notes Investor purchased Convertible Senior Secured Notes of and from the Company in an aggregate principal amount of $200,000,000 for an aggregate purchase price of $192,000,000 (the "*Purchase Price*"), and the Company issued and sold to the Convertible Senior Secured Notes Investor the Convertible Senior Secured Notes in consideration for the payment of the Purchase Price, and (ii) the Company issued to the Convertible Senior Secured Notes Investor 4,000,000 warrants, each representing the right to purchase one ordinary share at a price of $11.50 per share (the "*Convertible Notes Warrants*").

The Convertible Senior Secured Notes are initially convertible into up to 18,181,820 ordinary shares (excluding any interest, and subject to adjustments as provided in the Indenture) at an initial conversion rate of 90.9091 ordinary shares per $1,000 principal amount of Convertible Senior Secured Note, subject to adjustments to such rate as provided in the Indenture, at any time prior to the close of business on the second scheduled trading day immediately before the maturity date of the Convertible Senior Secured Notes.

Upon the occurrence of a Fundamental Change (as defined in the Indenture), then the Convertible Senior Secured Notes Investor has the right, at its option, to require us to repurchase for cash all or any portion of its Convertible Senior Secured Notes in principal amounts of $1,000 or an integral multiple thereof, at a fundamental change repurchase price equal to the principal amount of the Convertible Senior Secured Notes to be repurchased plus, if repurchased before the second anniversary of issuance, certain make-whole premiums, plus accrued and unpaid interest to, but excluding, the repurchase date.

The Convertible Senior Secured Notes bear interest at the rate of 7.00% per annum if we elect to pay interest in cash or 9.00% per annum if we elect to pay interest in-kind, and interest is paid semi-annually in arrears. Upon the occurrence, and during the continuation, of an event of default, an additional 2.00% will be added to the stated interest rate. The Convertible Senior Secured Notes will mature on the fifth anniversary of issuance and will be redeemable at any time by us, in whole but not in part, for cash, at par plus, if redeemed before the second anniversary of issuance, certain make-whole premiums as specified in the indenture governing the Convertible Senior Secured Notes. Subject to the terms of the indenture governing the Convertible Senior Secured Notes, Broadstone and VAGL provided full and unconditional guarantees under the Convertible Senior Secured Notes upon consummation of the Business Combination. The Convertible Senior Secured Notes Subscription Agreement also contains other customary representations, warranties, covenants and agreements of the parties thereto.

Cash Flows

The following table presents the summary consolidated cash flow information for the periods presented.

	Year Ended December 31,	
	2021	**2020**

		(in £ thousands)
Net cash used in operating activities	(27,550)	(12,012)
Net cash used in investing activities	(3,354)	(688)
Net cash from financing activities	244,713	12,510

Net cash used in operating activities

Net cash used in operating activities increased by £15,538 thousand, or 130%, from £12,012 thousand for the year ended December 31, 2020 to £27,550 thousand for the year ended December 31, 2021. This increase was primarily due to additional spend on research and development activities.

Net cash used in investing activities

Net cash used in investing activities increased by £2,666 thousand, or 387%, from £688 thousand for the year ended December 31, 2020 to £3,354 thousand for the year ended December 31, 2021. This increase was primarily due to the acquisition of intangible assets.

Net cash from financing activities

Net cash from financing activities increased by £232,203 thousand, or 1,856%, from £12,550 thousand for the year ended December 31, 2020 to £244,713 thousand for the year ended December 31, 2021. This increase was primarily due to proceeds from the Business Combination including proceeds from the PIPE Financing and from the issuance of the Convertible Senior Secured Notes.

C. Research and Development, Patents and Licenses, etc.

See Note 6 and Note 7 to our consolidated financial statements included in this Annual Report.

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events since December 31, 2021 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with IFRS, as issued by the IASB. In preparing our consolidated financial statements, we make assumptions, judgments and estimates that can have a significant impact on amounts reported in our consolidated financial statements. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We regularly reevaluate our assumptions, judgments and estimates. Our critical accounting estimates and judgments are described in Note 3, Critical accounting judgements and key sources of estimation uncertainty, to our consolidated financial statements included elsewhere in this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Executive Officers and Board Members

The following table presents information about our current executive officers and board members, including their ages as of the date of this Annual Report:

Name	Age	Position
Executive Officers		
Stephen Fitzpatrick	44	Chief Executive Officer and Board Member
Vincent Casey	39	Chief Financial Officer and Board Member
Michael Cervenka	47	President and Board Member
Harry Holt	54	Deputy Chief Executive Officer and Board Member
Board Members		

Dómhnal Slattery	55	Chairman
Kathy Cassidy	68	Board Member
Gur Kimchi	53	Board Member
Marcus Waley-Cohen	44	Board Member

Unless otherwise indicated, the current business addresses for our executive officers and the members of our board of directors is c/o Vertical Aerospace Ltd., Unit 1 Camwal Court, Chapel Street, Bristol BS2 0UW, United Kingdom.

Executive Officers

The following is a brief summary of the business experience of our executive officers.

Stephen Fitzpatrick has served as our Chief Executive Officer since our founding in 2016, and as a member of our board of directors since May 2021. Prior to founding the Company, Mr. Fitzpatrick founded OVO Group Ltd., a leading energy supply group that includes Europe's largest independent energy retailer, and has served as the Group Chief Executive Officer of OVO Group Ltd. since 2008. Mr. Fitzpatrick sits on the board of directors for a number of privately held companies, including Imagination Industries Incubator Limited and Imagination Industries Aero Ltd. Mr. Fitzpatrick holds a Master's degree in Business and Finance from the University of Edinburgh.

Vincent Casey has served as our Chief Financial Officer since November 2020, and has served as a member of our board of directors since May 2021. Prior to joining the Company, Mr. Casey has served in a number of roles at OVO Group Ltd., a leading energy supply group that includes Europe's largest independent energy retailer, and now serves as Chief Investment Officer, which he has done since June 2020. Mr. Casey sits on the board of directors for a number of privately held companies, including Imagination Industries Incubator Limited and Imagination Industries Aero Ltd. Mr. Casey holds a Master of Engineering (First Class Honors) in Mechanical Engineering from the University of Southampton. Mr. Casey is a Chartered Financial Analyst and Chartered Alterative Investment Analyst.

Michael Cervenka has served as our President since June 2019, and has served as a member of our board of directors since December 2021. Prior to joining the Company, from September 2015 to June 2019, Mr. Cervenka served as the Head of Future Business Technologies at Rolls-Royce, a leading aerospace and defense company. Mr. Cervenka also served in a number of different roles at Rolls-Royce, including as Program Lead (Civil Large Engine Cost Transformation Program) from March 2014 to August 2018 and Chief Development Engineer (Civil Large Fleet Engines) from November 2010 to February 2014. Mr. Cervenka has over 20 years of civil and military aerospace experience at Rolls-Royce. Mr. Cervenka participated in the Executive Leadership Program at the Tuck School of Business at Dartmouth from 2018 to 2019. Mr. Cervenka also holds a Bachelor of Engineering (First Honors) in Aeronautical Engineering from Bristol University. Mr. Cervenka is a Chartered Engineer, a Fellow of the Royal Aeronautical Society and Member of the Institute of Mechanical Engineers.

Harry Holt has served as our Deputy Chief Executive Officer since March 2022 and served as our Chief Operating Officer from January 2022 to March 2022, and has served as a member of our board of directors since April 2022. Since 2011, Mr. Holt has spent over 10 years in a number of senior executive roles at Rolls-Royce, including spending the last seven as a member of the Executive Team as President Nuclear and more recently, as Chief People Officer since 2018. Mr. Holt holds a Master's degree in Defence Technology and Management from Cranfield University, and a Bachelor's degree from University of Bristol.

Board Members

The following is a brief summary of the business experience of our non-executive board members.

Dómhnal Slattery has served as the chairman of our board of directors since January 2022. Mr. Slattery is one of the world's leading aircraft leasing pioneers and has over 30 years of experience in the aircraft leasing industry. Since 2010, Mr. Slattery has served as the Chief Executive Officer of Avolon, a global leader in aircraft leasing. Mr. Slattery has a track record of establishing and scaling industry leading leasing businesses, rapidly building market-leading aircraft leasing platform including the successful establishment of IAMG, RBS Aviation Capital (now SMBC Aviation)

and Avolon through three business cycles – from the early 1990s to today. Mr. Slattery has received multiple awards that honor his achievement and contribution to the aviation industry, including the award for “Outstanding Contribution to the Aviation Industry” at the Aviation Industry Awards and the Lewis L Glucksman Award for Ethical Leadership for his contribution to aviation, entrepreneurship and the arts from Glucksman Ireland

House NYU. Mr. Slattery holds a Bachelor's degree from University College Galway and completed the Accelerated Development Program from the London Business School.

Kathy Cassidy has served as a member of our board of directors since December 2021. Since 2015, Ms. Cassidy has been a board member for the Goldman Sachs Mutual Funds Complex, where she oversees more than 100 of Goldman's registered funds. She also sits on the Audit, Governance and Compliance Committees for the Goldman Sachs Mutual Funds Complex. Ms. Cassidy previously served for thirty years at General Electric in a variety of executive positions, including serving as Senior Vice President and Treasurer for both GE and GE Capital prior to her retirement in 2015. Prior to her time at GE Treasury, Ms. Cassidy held executive leadership positions in Strategic Ventures & Mexico in GE Capital Real Estate, and prior to this, she built the Real Estate Capital Markets Business. Earlier in her career, she served as the CFO for several of GECapital's Business Divisions. Ms. Cassidy also served on the GE Capital Board and the GE Corporate Executive Council for ten years. Ms. Cassidy previously served on the University of Connecticut Foundation Board and the S&P Corporate Advisory Board, and she has been a noted speaker at numerous events, symposiums and forums. Since 2017, Ms. Cassidy also serves on the board of BuildOn, a not-for-profit, global organization focused on building schools in seven of the most impoverished nations in the world and working with numerous large cities on after-school youth leadership programs in some of the most challenging school districts in the United States. Ms. Cassidy holds both an MBA from Fordham University as well as a B.A. in Economics from the University of Connecticut.

Gur Kimchi has served as a member of our board of directors since December 2021. Mr. Kimchi currently sits on the board of directors for several privately held companies, including Ascent Aerosystems since November 2020. Mr. Kimchi served as Vice President at Amazon.com, Inc. from 2012 to 2020, where he co-founded the Amazon Prime Air delivery-by-drone project and led the organization to its FAA certification as a Part 135 commercial airline. Prior to Amazon, Mr. Kimchi served in a number of different roles at Microsoft where he was integral in the development of key technologies including Virtual Earth & Bing Maps, Contextual & Geosocial search, Cloud Infrastructure, Augmented and Virtual Reality, and Enterprise Communications. Mr. Kimchi is a founding member of the Federal Aviation Administration Drone Advisory Committee and worked in collaboration with the FAA, SESAR, NASA, and ICAO on the development of the Federated Airspace Management Architecture, enabling the safe integration of Unmanned Aircraft Systems and Urban Air Mobility into the airspace around the world.

Marcus Waley-Cohen has served as a member of our board of directors since December 2021. Mr. Waley-Cohen has served as a Director of SunCap Ltd. since September 2019. Mr. Waley-Cohen currently sits on the board of directors for several privately held companies, and is a member of Broadstone Sponsor LLP. Mr. Waley-Cohen holds a Master's degree in Politics from the University of Edinburgh.

B. Compensation

Executive Officer and Board Member Compensation

Our policies with respect to the compensation of our executive officers are administered by our board of directors in consultation with our compensation committee (as described under "*—C. Board Practices—Compensation Committee*"). The compensation decisions regarding the Company's executives are based on the Company's need to retain those individuals who continue to perform at or above our expectations and to attract individuals with the skills necessary for us to achieve our business plan. We intend to be competitive with other similarly situated companies in its industry.

Performance-based and equity-based compensation is and is expected to be an important foundation in executive compensation packages. We believe that performance-based and equity-based compensation can be an important component of the total executive compensation package for maximizing shareholder value while, at the same time, attracting, motivating and retaining high-quality executives.

Stephen Fitzpatrick, Vincent Casey, Michael Cervenka and Harry Holt do not receive any compensation for their services as members of our board of directors. Instead, Mr. Fitzpatrick, Mr. Casey, Mr. Cervenka and Mr. Holt will receive a combination of cash and equity compensation for their services as our executive officers. Our compensation

committee is charged with performing an annual review of our executive officers' cash and equity compensation to determine whether they provide adequate incentives and motivation to executive officers and whether they adequately compensate the executive officers relative to comparable officers in other companies. In addition to the guidance provided by our compensation committee, we may utilize the services of third parties from time to time in connection with the hiring and compensation awarded to executive employees. This could include subscriptions to executive compensation surveys and other databases.

Dómhnal Slattery will receive cash for his services as a member and chairman of our board of directors. In addition, in connection with Mr. Slattery's services as a member and chairman of our board of directors, the Company and Mr. Fitzpatrick entered into an option agreement with Mr. Slattery, pursuant to which Mr. Slattery received an option to require Mr. Fitzpatrick to sell and Mr. Slattery to purchase up to an aggregate of 1,175,000 ordinary shares of the Company, with an exercise price of $0.0001 per share, with the option to expire on January 25, 2029. Kathy Cassidy and Gur Kimchi will receive a combination of cash and equity compensation for their services as members of our board of directors. Marcus Waley-Cohen has received equity compensation in connection with the Business Combination, and will not receive any additional compensation for his service as member of our board of directors.

Our compensation committee will consider adopting formal or informal policies or guidelines for allocating compensation between long-term and currently paid out compensation, between cash and equity compensation, or among different forms of compensation.

For the fiscal year ended December 31, 2021, the aggregate cash compensation paid to the Company's executive officers was £244 thousand and the aggregate cash compensation paid to the Company's non-executive directors was £0. For grants of options to our executive officers and directors under our 2021 Incentive Award Plan and under the EMI Option Agreements, see *"—Incentive Programs—EMI Option Agreements—Options Granted under the EMI Option Agreements*," and *"—Incentive Programs—2021 Incentive Award Plan—Options Granted under the 2021 Incentive Plan*." We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Incentive Programs

EMI Option Agreements

Overview

Certain employees of the Company or its Subsidiaries have been granted options under option agreements which, where permitted, are intended to be tax qualifying enterprise management incentive options under Schedule 5 of the UK Income Tax (Earnings and Pensions) Act 2003 (the "EMI Option Agreements"). The purpose of the EMI Option Agreements is to grant options to recruit or retain eligible employees.

Summary of the EMI Option Agreements

This section summarizes certain principal features of the EMI Option Agreements. The summary is qualified in its entirety by reference to the complete text of the form of EMI Option Agreement attached as Exhibit 4.7 to this Annual Report.

Authorized Shares. 21,656,655 ordinary shares are reserved for issuance pursuant to options granted under the EMI Option Agreements. To the extent that any options granted under the EMI Option Agreements would cause the individual limit specified in paragraph 5 or 6 of Schedule 5 ITEPA to be exceeded, the number of ordinary shares which exceeds the individual limit will form part of a non-qualifying stock option.

Awards. The EMI Option Agreements provide for options to be granted over ordinary shares. Share options are rights to purchase ordinary shares at a specified price (the exercise price). Share options will be either non-qualified share options or be tax qualifying enterprise management incentive options under Schedule 5 ITEPA "EMI Options." The options granted are intended to be EMI Options and are subject to specific restrictions and limitations set out in Schedule 5 ITEPA. Among such restrictions, EMI Options must have an exercise price of not less than the fair market value of an ordinary share on the date of grant. EMI Options will only be granted to eligible employees, and will not be exercisable after a period of ten (10) years measured from the date of grant. EMI Options are also subject to individual and aggregate limits under paragraphs 5 to 7 (inclusive) of Schedule 5 ITEPA. The options granted under the EMI Option Agreements have been granted pursuant to certain time and performance based vesting conditions.

Transferability of Awards. Subject to any rights of the participant to exercise the option following the participant's death, the options granted pursuant to the EMI Option Agreements are personal to the participant and will not be capable of being transferred, assigned or charged.

Amendment and Termination. Our board of directors may amend the EMI Option Agreements by resolution provided that (i) no alteration will be effective to cancel or alter adversely any subsisting rights of the participant unless such alteration is made with the prior written consent of the participant; and (ii) no amendment will have effect if it would prevent an option from satisfying the

provisions of Schedule 5 ITEPA. Our board of directors may amend the EMI Option Agreements without participant consent, as they consider necessary or desirable in order to make them more effective or easier to administer, comply with or take account of the provisions of any proposed or existing legislation, to take account of any takeover, listing or sale of the Company or to maintain favorable tax or regulatory treatment for the Company or the participant.

Adjustment of Awards. In the event of any variation of the Company's share capital (which includes any variation in the share capital of the Company arising from any reduction, sub-division, consolidation of capital or issue of shares by way of capitalization of profits or reserves or by way of rights or demerger or any other variation of share capital of the Company on any distribution in specie or any special dividend) the EMI Agreements provide that the number or nominal value of the Shares comprised in the Option and/or the exercise price may be adjusted in such manner as the board of directors may deem appropriate provided that no material increase will be made to the aggregate exercise price in respect of the option. Notice of any adjustments will be given in writing to the participants.

Administration. The compensation committee of our board of directors will administer the options granted under the EMI Option Agreements. The decision of the board of directors in relation to any dispute or question affecting the participant or as to any rights or obligations pursuant to the EMI Option Agreements or in relation to their construction or effect will be final and conclusive.

Options Granted Under the EMI Option Agreements

The following executive officers and directors of the Company held EMI Options (both vested and unvested) as of December 31, 2021:

Participant	Total Number of Options	Grant Date(1)	Vesting Date	Exercise Price	Number of Options Outstanding
Vincent Casey	75,014,07[2]	March 15, 2022	• 100% vested on March 15, 2022	$0.04	7,501,407
Michael Cervenka	57,405,25[3]	March 15, 2022	• Quarterly vesting from July 1, 2021 to June 30, 2025; 100% vested on June 30, 2025	$0.23	5,740,525

(1) During the year ended December 31, 2021, each of Mr. Casey and Mr. Cervenka held share options granted over shares in VAGL. On March 15, 2022, each of Mr. Casey and Mr. Cervenka entered into an option agreement with the Company as a replacement option agreement for share options previously granted over shares in VAGL that were exchanged for options of equivalent value over ordinary shares in the Company. The share amounts and exercise price information in the above table have been adjusted and represent the replacement values. As of December 31, 2021, Mr. Casey held an option over 6,160 shares of VAGL, with an exercise price of £38.22. As of December 31, 2021, Mr. Cervenka held an option over 4,714 shares of VAGL, with an exercise price of £204.00.

(2) 1,347,295 of the shares subject to the option are subject to certain transfer and other restrictions as set forth in form of EMI Option Agreement attached as Exhibit 4.7 to this Annual Report.

(3) 1,031,031 of the shares subject to the option are subject to certain transfer and other restrictions as set forth in form of EMI Option Agreement attached as Exhibit 4.7 to this Annual Report.

As of December 31, 2021, no EMI Options granted to our executive officers and directors were exercised.

2021 Incentive Award Plan

Overview

In connection with the Business Combination, our board of directors adopted, and our shareholders approved, the 2021 Incentive Award Plan (the "2021 Incentive Plan") in order to facilitate the grant of cash and equity incentives to its directors, employees (including executive officers) and consultants and its affiliates and to enable it and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success.

Purpose of the 2021 Incentive Plan

The purpose of the 2021 Incentive Plan is to assist us in attracting and retaining selected individuals who will serve as its directors, officers, employees, consultants and advisors, whose judgment, interest and special effort is critical to the successful conduct of our operation. We believe that the awards to be issued under the 2021 Incentive Plan will strengthen these individuals'

commitment to our welfare and align their interests with the interests of our shareholders following the completion of the Business Combination. We believe that grants of incentive awards are necessary to enable us to attract and retain top talent.

Summary of the 2021 Incentive Plan

This section summarizes certain principal features of the 2021 Incentive Plan. The summary is qualified in its entirety by reference to the complete text of the 2021 Incentive Plan.

Authorized Shares. The aggregate number of ordinary shares initially reserved for issuance under the 2021 Incentive Plan is 10,456,769, approximately 5% of the sum total number of issued and outstanding ordinary shares as of the completion of the Business Combination. The number of shares initially reserved for issuance will be increased on January 1 of each calendar year beginning in 2022 and ending in 2032, by an amount equal to the lesser of (A) 5% of the ordinary shares outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of ordinary shares as determined by our board of directors.

Administration. Our board of directors or the compensation committee of our board of directors have authority to interpret the terms of the our 2021 Incentive Plan and determine eligibility of participants. If any right granted under the 2021 Incentive Plan shall for any reason terminate without having been exercised, the shares not purchased under such right shall again become available for issuance under the 2021 Incentive Plan. The compensation committee of our board of directors is the initial administrator of the 2021 Incentive Plan (the "Committee"). Under the 2021 Incentive Plan, our board of directors may delegate administration of the 2021 Incentive Plan to another committee or a subcommittee of our board.

Eligibility. Our employees (and directors) are generally eligible to participate in the 2021 Incentive Plan. However, the plan administrator may provide that other groups of employees, including without limitation those who do not meet designated service requirements or those whose participation would be in violation of applicable foreign laws, will not be eligible to participate in the 2021 Incentive Plan.

Awards Available for Grant. The Committee may grant awards of nonqualified share options, ISOs, share appreciation rights ("SARs"), restricted share awards, restricted share units, other share-based awards, other cash-based awards, dividend equivalents, and/or performance compensation awards or any combination of the foregoing.

Options. The Committee is authorized to grant options to purchase ordinary shares that are either "qualified," meaning they are intended to satisfy the requirements of Section 422 of the Code for ISOs, or "nonqualified," meaning they are not intended to satisfy the requirements of Section 422 of the Code. Options granted under the 2021 Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Committee and specified in the applicable award agreement. The maximum aggregate number of 2021 ordinary shares that may be issued through the exercise of ISOs granted under the 2021 Incentive Plan is 5% of the ordinary shares outstanding (on an as-converted basis) on the date the 2021 Incentive Plan is adopted by the board of the directors. In general, the exercise price per share of ordinary shares for each option granted under the 2021 Incentive Plan will not be less than the fair market value of such share at the time of grant or, for purposes of ISOs, if granted to an employee who owns or is deemed to own more than 10% of the combined voting power of all of our classes of shares, or of any parent or subsidiary (a "10% Shareholder"), less than 110% of the fair market value of such share at the time of grant. The maximum term of an option granted under the 2021 Incentive Plan will be 10 years from the date of grant (or five years in the case of ISOs granted to a 10% Shareholder). However, if the option would expire at a time when the exercise of the option by means of a cashless exercise or net exercise method (to the extent such method is otherwise then permitted by the Committee for purposes of payment of the exercise price and/or applicable withholding taxes) would violate applicable securities laws, the expiration date applicable to the option will be automatically extended to a date that is 30 calendar days following the date such cashless exercise or net exercise would no longer violate applicable securities laws (so long as such extension does not violate Section 409A of the Code), but not later than the expiration of the original exercise period. Payment in respect of the exercise of an option may be made in cash, by check or other cash equivalent, by surrender of unrestricted shares (at their fair market value on the date of exercise) that have been held by the participant for any period deemed necessary by our accountants to avoid an additional compensation charge or have been purchased on the open market, or the Committee may, in its

discretion and to the extent permitted by law, allow such payment to be made through a broker-assisted cashless exercise mechanism, a net exercise method, the surrender of other property having a fair market value on the date of exercise equal to the exercise price or by such other method as the Committee may determine to be appropriate.

Share Appreciation Rights. The Committee is authorized to award SARs under the 2021 Incentive Plan. SARs will be subject to the terms and conditions established by the Committee and reflected in the award agreement. A SAR is a contractual right that allows a participant to receive, either in the form of cash, ordinary shares or any combination of cash and ordinary shares, the appreciation, if any, in the value of an ordinary share over a certain period of time. An option granted under the 2021 Incentive Plan may include SARs, and SARs may also be awarded to a participant independent of the grant of an option. SARs granted in connection with an option will be subject to terms similar to the option corresponding to such SARs. The exercise price of SARs cannot be less than 100% of the fair market value of a share of ordinary share at the time of grant.

Restricted Shares. The Committee is authorized to award restricted shares under the 2021 Incentive Plan. Restricted share awards are ordinary shares that generally are non-transferable and subject to other restrictions determined by the Committee for a specified period. Each award of restricted shares will be subject to the terms and conditions established by the Committee, including any dividend or voting rights. Unless the Committee determines otherwise or specifies otherwise in an award agreement, if the participant terminates employment or services during the restricted period, then any unvested restricted share will be forfeited. Dividends, if any, that may have been withheld by the Committee will be distributed to the participant in cash or, at the sole discretion of the Committee, in ordinary shares having a fair market value equal to the amount of such dividends, upon the release of any applicable restrictions, and if the applicable share is forfeited, the participant will have no right to such dividends (except as otherwise provided in the applicable award agreement).

Restricted Share Unit Awards. The Committee is authorized to award restricted share unit awards under the 2021 Incentive Plan. The Committee will determine the terms of such restricted share unit awards. Unless the Committee determines otherwise or specifies otherwise in an award agreement, if the participant terminates employment or services during the period of time over which all or a portion of the units are to be earned, then any unvested units will be forfeited. At the election of the Committee, the participant will receive a number of ordinary shares equal to the number of units earned or an amount in cash equal to the fair market value of that number of ordinary shares at the expiration of the period over which the units are to be earned or at a later date selected by the Committee.

Other Stock-Based Awards. The Committee may grant to participants other share-based awards under the 2021 Incentive Plan, which are valued in whole or in part by reference to, or otherwise based on, ordinary shares. The form of any other stock-based awards will be determined by the Committee and may include a grant or sale of unrestricted ordinary shares. The number of ordinary shares related to other share-based awards and the terms and conditions, including vesting conditions, of such other share-based awards will be determined by the Committee when the award is made. Other share-based awards will be paid in cash, ordinary shares, or a combination of cash and shares, as determined by the Committee, and the Committee will determine the effect of a termination of employment or service on a participant's other share-based awards.

Other Cash-Based Awards. The Committee may grant to participants a cash award that is not otherwise described by the terms of the 2021 Incentive Plan, including cash awarded as a bonus or upon the attainment of performance goals or otherwise as permitted under the 2021 Incentive Plan. The form, terms, and conditions, including vesting conditions, of any other cash-based awards will be established by the Committee when the award is made, and any other cash-based awards will be paid to participants in cash. The Committee will determine the effect of a termination of employment or service on a participant's other cash-based awards.

Dividend Equivalents. The Committee may provide for the payment of dividend equivalents with respect to ordinary shares subject to an award, such as restricted share units, but not on awards of share options or SARs. However, no dividend equivalents will be paid prior to the issuance of shares. Dividend equivalents may be credited as of the dividend payment dates, during the period between the grant date and the date the award becomes payable or terminates or expires, as determined by the Committee; however, dividend equivalents will not be payable unless and until the issuance of shares underlying the award and will be subject to forfeiture to the same extent as the underlying award. Dividend equivalents may be paid on a current or deferred basis, in cash, additional ordinary shares, or converted to full-value awards, calculated and subject to such limitations and restrictions as the Committee may determine.

Performance Compensation Awards. The Committee is authorized to grant any award, including in the form of cash, under the 2021 Incentive Plan in the form of a performance compensation award by conditioning the vesting of the award on the satisfaction of certain performance goals, measured on an absolute or relative basis, for a particular performance period. The Committee may

establish performance criteria that will be used to establish these performance goals with reference to one or more of the following, without limitation:

- net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense);
- gross or net sales or revenue or sales or revenue growth;
- net income (either before or after taxes);
- adjusted net income;
- operating earnings or profit (either before or after taxes);
- cash flow (including, but not limited to, operating cash flow and free cash flow);
- return on assets;
- return on capital (or invested capital) and cost of capital;
- return on shareholders' equity;
- total shareholder return;
- return on sales;
- gross or net profit or operating margin;
- costs, reductions in costs and cost control measures;
- expenses;
- working capital;
- earnings or loss per share;
- adjusted earnings or loss per share;
- price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends);
- regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product);
- implementation or completion of critical projects;
- market share;
- economic value;
- individual employee performance, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or other employees or to market performance indicators or indices; or
- any combination of the foregoing.

Transferability. Each award may be exercised during the participant's lifetime only by the participant or, if permissible under applicable law, by the participant's guardian or legal representative and may not be otherwise assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a participant other than by will or by the laws of descent and distribution. The Committee, however, may permit awards (other than ISOs) to be transferred to family members, a trust for the benefit of such family members, a partnership or limited liability company whose partners or shareholders are the participant and his or her family members or anyone else approved by it.

Amendment and Termination; Repricing. In general, our board of directors may amend, alter, suspend, discontinue or terminate the 2021 Incentive Plan at any time. However, shareholder approval to amend the 2021 Incentive Plan may be necessary if the law or the 2021 Incentive Plan so requires. No amendment, alteration, suspension, discontinuance or termination will materially impair the rights of any participant or recipient of any award without the consent of the participant or recipient, unless the terms of an award expressly provide otherwise. Shareholder approval will generally be required for any amendment that reduces the exercise price of any share option or SAR, or cancels any share option or SAR that has an exercise price that is greater than the then-current fair market value of ordinary shares in exchange for cash, other awards or share options or SARs with an exercise price per share that is less than the exercise price per share of the original share options or SARs.

Change in Control. In the event of a "Change in Control" (as defined in the 2021 Incentive Plan), unless the Committee elects to terminate an award in exchange for cash, rights or property, or cause an award to become fully exercisable and no longer subject to any forfeiture restrictions (see below). Otherwise, awards under the 2021 Incentive Plan (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent award may be substituted, and the portion of such award subject to performance-based vesting shall be subject to the terms and conditions of the applicable award agreement and, in the absence thereof, the Committee's discretion.

Adjustments for certain corporate events. In the event of a stock dividend, stock split, combination or exchange of shares, merger, consolidation or certain other corporate events, in general the Committee may adjust the number of shares of ordinary shares or our other securities (or number and kind of other securities or other property) subject to an award, the exercise or strike price of an award, or any applicable performance measure or other terms and conditions, and may provide for the substitution or assumption of outstanding awards in a manner that substantially preserves the terms of such awards, the acceleration of the exercisability or lapse of restrictions applicable to outstanding awards or the termination of outstanding awards in exchange for an amount of cash and/or other property with a value equal to the amount that would have been attained upon the exercise of the award or realization of the holder's rights (which may include the consideration received by holders of the ordinary shares in connection with such Change in Control transaction).

New Plan Benefits

Grants of awards under the 2021 Incentive Plan are subject to the discretion of the Committee and are not currently determinable. The value of the awards granted under the 2021 Incentive Plan will depend on a number of factors, including the fair market value of our ordinary shares on future dates, the exercise decisions made by the participants and the extent to which any applicable performance goals necessary for vesting or payment are achieved.

Options Granted Under the 2021 Incentive Plan

The following executive officers and directors of the Company held Options (both vested and unvested) as of December 31, 2021:

Participant	Total Number of Options	Grant Date	Vesting Date	Exercise Price	Number of Options Outstanding
Marcus Waley-Cohen	2,000,000	December 16, 2021	• 100% vested on December 16, 2021	$11.50	2,000,000

As of December 31, 2021, no Options granted to our executive officers and directors were exercised.

Insurance and Indemnification

Insofar as indemnification of liabilities arising under the Securities Act may be permitted to executive officers and board members or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

C. Board Practices

Board of Directors

Our board of directors consists of eight directors, two of whom: Kathy Cassidy and Gur Kimchi, qualify as independent directors as defined in the NYSE listing requirements. Mr. Slattery serves as the Chairman of the board of directors. Directors can be elected by an ordinary resolution of the shareholders. In addition, directors may be appointed either to fill a vacancy arising from the resignation of a former director or as an addition to the existing board by the affirmative vote of a simple majority of the directors present and voting at a board meeting. A director may be removed by a special resolution of the shareholders (i) for cause (as such term is defined in the Amended and Restated Memorandum and Articles of Association), or (ii) where the board of directors makes a determination that removal of a director is in the best interests of the Company. Each of our directors holds office until he or she resigns or is removed from office.

A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he/she may be interested therein and if he/she does so, his/her vote shall be counted and he/she may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered. Our board of directors may exercise all of the powers to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any of our debt, liability or obligation or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Duties of Board Members and Conflicts of Interest

Under Cayman Islands law, directors and officers owe the following fiduciary duties:

- duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- directors should not improperly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of shareholders;
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and
- duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the Articles or alternatively by shareholder approval at general meetings.

Audit Committee

The audit committee, which consists of Kathy Cassidy and Gur Kimchi, assists the board in overseeing our accounting and financial reporting processes and the audits of our financial statements. Kathy Cassidy serves as Chairman of the committee. The audit committee consists exclusively of members of our board who are financially literate, and Kathy Cassidy is considered an "audit committee financial expert" as defined by the SEC. Our board has determined that Kathy Cassidy and Gur Kimchi satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. The audit committee is governed by a charter that complies with NYSE rules.

The audit committee is responsible for:

- retaining and terminating our independent auditors;
- pre-approving audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing our accounting and financial reporting processes;
- overseeing audits of financial statements;
- preparing report with respect to the audited financial statements for inclusion in our annual reports;
- reviewing with management and the independent auditor its annual audited financial statements prior to filing to the SEC;
- assessing annually the independence of the auditor and the auditor's internal quality-control procedures;
- Discussing with the independent auditor any audit problems or difficulties and resolving disagreements between management and the independent auditor regarding financial reporting;
- discussing our policies with respect to risk assessment and risk management;
- establishing procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and
- designing and implementing our internal audit function and overseeing the internal audit function after its establishment.

The audit committee meets at least once during each fiscal quarter. The audit committee meets separately, periodically, with management, with the independent auditor, with the personnel primarily responsible for the design and implementation of the internal audit function, and with the internal auditor after the internal audit function has been established.

Compensation Committee

The compensation committee, which consists of Kathy Cassidy and Vincent Casey, assists the board in determining executive officer compensation. Kathy Cassidy serves as Chairman of the committee. Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee. The purpose of the compensation committee is to review and approve compensation paid to our officers and directors and to review, approve or make recommendations to the board of directors regarding our incentive compensation plans.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee, which consists of Dómhnal Slattery and Stephen Fitzpatrick, assists our board of directors in identifying individuals qualified to become members of our board consistent with criteria established by our board and in developing our corporate governance principles. Dómhnal Slattery serves as Chairman of the committee.

The nominating and corporate governance committee is responsible for:

- identifying and recommending to the board of directors for its approval nominees for election of directors;
- reviewing annually the board committee structure and recommending to the board of directors for its approval directors to serve as members of each committee;
- overseeing annual self-evaluations of the board of directors and management; and
- reviewing and reassessing the adequacy of corporate governance guidelines and recommending proposed changes to the board of directors for approval.

Certification Committee

The certification committee, which consists of Gur Kimchi, Michael Cervenka and Kathy Cassidy, assists our board of directors in its oversight of the successful and timely achievement of regulatory certification of the VX4 aircraft. Gur Kimchi serves as the Chairman of the committee. Our board of directors has adopted a certification committee charter setting forth the responsibilities of the committee. The members of the certification committee are appointed, and may be removed, by the board of directors with or without cause.

D. Employees

As of December 31, 2021, we had 237 employees, the majority of whom are based in the United Kingdom.

The table below sets out the number of employees by category:

Department	As of December 31, 2021
Production, supply chain and operations	34
Sales	3
Finance	12
Innovation management and research and development	148
Marketing and branding	4
Other(1)	36
Total	**237**

(1) Other includes IT, employees in our facilities (as described below), quality and human resources, among others.

In line with industry standards in the country of employment, our employees maintain a range of relationships with union groups.

We have never experienced labor-related work stoppages or strikes and believe that our relations with our employees are satisfactory.

E. Share Ownership

For information regarding the share ownership of directors and officers, see Item 7.A. "*Major Shareholders and Related Party Transactions—Major Shareholders*." For information as to our equity incentive plans, see Item 6.B. "*Director, Senior Management and Employees—Compensation—Incentive Programs*."

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of our ordinary shares as of April 1, 2022 by:

- each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding ordinary shares;
- each of our executive officers and our board of directors; and
- all of our executive officers and our board of directors as a group.

The number of ordinary shares beneficially owned by each entity, person, executive officer or board member is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of April 1, 2022 through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all ordinary shares held by that person.

Unless otherwise indicated below, the address for each beneficial owner listed is Vertical Aerospace Ltd., Unit 1 Camwal Court, Chapel Street, Bristol BS2 0UW, United Kingdom.

For further information regarding material transactions between us and principal shareholders, see Item 7.B. "*Major Shareholders and Related Party Transactions—Related Party Transactions*."

Name of beneficial owner[1]	Number	%[2]
5% or Greater Shareholders		
Mudrick Capital Management L.P. [3]	22,181,820	9.6%
American Airlines Inc.[4]	11,250,000	5.4%
Executive Officers and Board Members		
Stephen Fitzpatrick[5]	150,052,510	71.7%
Vincent Casey[6]	7,501,407	3.5%
Michael Cervenka[7]	1,076,348	*
Kathy Cassidy		—
Harry Holt	—	—
Gur Kimchi	—	—
Dómhnal Slattery[8]	3,213,415	1.5%
Marcus Waley-Cohen[9]	2,663,282	1.3%
All executive officers and board members as a group (8 persons) [10]	164,389,462	74.8%

* Indicates beneficial ownership of less than 1% of the total outstanding ordinary shares.

(1) Except as otherwise indicated, and subject to applicable community property laws, we believe based on the information provided to us that the persons named in the table have sole voting and investment power with respect to all ordinary shares beneficially owned by them.

(2) Percentage of outstanding shares is based on 209,135,382 of our ordinary shares, issued and outstanding as of April 1, 2022.

(3) Based on information reported in a Schedule 13G filed on February 11, 2022 and other information known to the Company. Consists of: (a) 18,181,820 ordinary shares representing Convertible Senior Secured Notes Shares, and (b) the 4,000,000 ordinary shares issuable upon conversion of the Convertible Notes Warrants. The table above excludes 10,053,990 ordinary shares representing the maximum number of Convertible Senior Secured PIK Shares that may be issuable to certain funds, investors, entities or accounts that are managed, sponsored or advised by Mudrick Capital Management, L.P. or its affiliates pursuant to the Convertible Senior Secured Subscription Agreement. Jason Mudrick is the founder, general partner and Chief Investment Officer of Mudrick Capital Management, L.P. Mr. Mudrick, through Mudrick Capital Management, L.P., is responsible for the voting and investment decisions relating to such Ordinary Shares. Each of the aforementioned entities and individuals disclaims beneficial ownership of the ordinary shares held of record by any other entity or individual explicitly named in this footnote except to the extent of such entity or individual's pecuniary interest therein, if any. The address of each of the entities and individuals explicitly named in this footnote is c/o Mudrick Capital Management, L.P., 527 Madison Avenue, 6th Floor, New York, NY 10022.

(4) Based on information reported in a Schedule 13G filed on December 21, 2021, American Airlines Inc. and American Airlines Group Inc. have shared voting and dispositive power over 11,250,000 of our ordinary shares. American Airlines Inc. is a wholly owned subsidiary of American Airlines Group Inc. As a result, American Airlines Group Inc. may be deemed to share beneficial ownership of the Shares held of record by American Airlines, Inc. The business address of both entities is 1 Skyview Drive, Fort Worth, Texas 76155.

(5) Consists of 150,552,510 ordinary shares held directly by Mr. Fitzpatrick. This number includes 1,175,000 outstanding ordinary shares that are subject to an option to purchase such ordinary shares granted by Mr. Fitzpatrick to Dómhnal Slattery, none of which options had been exercised by Mr. Slattery as of April 1, 2022.

(6) Consists of options to purchase 7,501,407 ordinary shares held by Mr. Casey that are exercisable within 60 days of April 1, 2022.

(7) Consists of options to purchase 1,076,348 ordinary shares held by Mr. Cervenka that are exercisable within 60 days of April 1, 2022.

(8) Consists of (i) 3,095,915 ordinary shares held by Maples Trustee Services (Cayman) Limited as the trustee of Avolon e Trust II, for which Mr. Slattery controls the voting and disposition of the ordinary shares, and (ii) an option to purchase 117,500 ordinary shares granted to Mr. Slattery by Stephen Fitzpatrick, which shares are currently held directly by Mr. Fitzpatrick, that are exercisable within 60 days of April 1, 2022.

(9) Consists of (i) ordinary shares representing a 7.8431% membership interest in the 7,632,575 Sponsor Shares held by Broadstone Sponsor LLP and a 12.9304% interest in the 500,000 PIPE Shares held by Broadstone Sponsor LLP, and (ii) options to purchase 2,000,000 ordinary shares held by Mr. Waley-Cohen that are exercisable within 60 days of April 1, 2022.

(10) Comprised of (i) 153,811,707 ordinary shares, and (ii) 10,577,755 ordinary shares underlying options that are exercisable within 60 days of April 1, 2022, which excludes the 117,500 ordinary shares underlying the option granted to Mr. Slattery by Mr. Fitzpatrick that are exercisable within 60 days of April 1, 2022, which had not been exercised by Mr. Slattery as of April 1, 2022, and were held directly by Mr. Fitzpatrick as of such date.

The table above does not include the ordinary shares underlying the Virgin Atlantic Commercial Warrant Shares, the American Commercial Warrant Shares and the Avolon Commercial Warrant Shares because these securities are not exercisable within 60 days of this Annual Report.

Difference in Voting Rights

All of the Company's ordinary shares have the same voting rights and no major shareholder of the Company has different voting rights.

Securities Held in the Host Country

Based on a review of the information provided to us by our transfer agent, as of April 1, 2022, there were 14 registered holders of our ordinary shares, 5 of which are United States registered holders (including Cede & Co., the nominee of the Depository Trust Company), holding approximately 12.2% of our outstanding ordinary shares. The number of record holders in the United States

is not representative of the number of beneficial holders nor is it representative of where such beneficial holders are resident since many of these ordinary shares were held by brokers or other nominees.

Arrangements for Change in Control

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of the Company.

B. Related Party Transactions

The following is a description of our related party transactions since January 1, 2021.

Intercompany Loan Facility with Imagination Industries Limited

VAGL entered into an intercompany loan facility agreement with Imagination Industries Limited ("IIL") on July 1, 2020 (the "Intercompany Loan Facility"). The terms of the Intercompany Loan Facility provide that Vertical may borrow from IIL such amounts in British pounds sterling as may be agreed from time to time. Interest on the outstanding balance of any loans under the Intercompany Facility accrue at a rate of 7% per annum. On December 31, 2020, the outstanding amount under the Intercompany Loan Facility was £6,309,000. On March 10, 2021, the Intercompany Loan Facility was amended to provide for interest to accrue at a rate of 30% per annum for all amounts advanced by IIL under the Intercompany Loan Facility, including past amounts. At the same time, VAGL agreed to repay £737,000 of the loan and reallocate the remaining amount due under the Intercompany Loan Facility, or £9,000,000, to Mr. Fitzpatrick. VAGL settled the loan by issuing 23,220 newly issued class A ordinary shares in the share capital of VAGL to Mr. Fitzpatrick. As of December 31, 2021, there were no amounts outstanding under the Intercompany Loan Facility. Imagination Industries Limited is wholly owned by Mr. Fitzpatrick.

Intercompany Services Agreement with Imagination Industries Incubator Limited

VAGL entered into an intercompany services agreement with Imagination Industries Incubator Limited ("Incubator") on July 1, 2020 (the "Intercompany Services Agreement"), which was subsequently amended. Pursuant to the Intercompany Services Agreement, Incubator provides finance department services and monthly payroll services to Vertical for approximately £9,000 per month. For the years ended December 31, 2020 and 2021, VAGL paid £108,000 and £144,000, respectively, to Incubator for services provided under the Intercompany Services Agreement. The Intercompany Services Agreement expired on December 31, 2021. Incubator is indirectly owned by Mr. Fitzpatrick.

Relationship with Stephen Fitzpatrick

On October 22, 2021, VAGL entered into an agreement with Mr. Fitzpatrick (the "October Loan Agreement") pursuant to which Mr. Fitzpatrick agreed to provide an aggregate amount of $5 million. Pursuant to the terms of the October Loan Agreement, VAGL agreed to repay Mr. Fitzpatrick, in whole, through the issuance of 500,000 ordinary shares at a price of $10.00 per ordinary share, which repayment was settled on December 15, 2021.

Relationship with OVO Group Ltd.

OVO Group Ltd. ("OVO") is controlled by Mr. Fitzpatrick. Mr. Fitzpatrick, our CEO and a member of our board of directors, currently serves as the Group Chief Executive Officer of OVO, and Vinny Casey, our CFO and a member of our board of directors, currently serves as the Chief Investment Officer of OVO. During 2021, we and OVO had an informal arrangement in which we received certain services from OVO, which primarily included sharing an office space in London. We did not pay any fees to OVO under this arrangement. The arrangement was terminated as of December 31, 2021.

PIPE Investment

The Company and Broadstone previously entered into Subscription Agreements with certain PIPE Investors (including American, Avolon, Stephen Fitzpatrick and the Sponsor) pursuant to which, among other things, the PIPE Investors agreed to purchase on the Closing Date an aggregate of 9,400,000 ordinary shares at a price equal to $10.00 per share for an aggregate purchase price of $94,000,000 on the terms and subject to the conditions set forth therein (the "PIPE Financing"). The PIPE Financing closed concurrently with the Business Combination.

American currently owns more than 5% of our issued and outstanding ordinary shares. Mr. Slattery, the chairman of our board of directors and Chief Executive Officer of Avolon. Mr. Waley-Cohen, a director of our board of directors, also serves as a director, is a member of the Sponsor and holds approximately 7.8% membership interest in the Sponsor.

Registration Rights Agreement

At the closing of the Business Combination, the Company entered into the Registration Rights Agreement with American, Avolon Warrantholders, the Sponsor and the VAGL Shareholders (collectively, the "Holders"), pursuant to which, subject to certain requirements and customary conditions, the Holders may demand at any time or from time to time, that the Company file a registration statement with the U.S. Securities and Exchange Commission to register certain securities of the Company held by such Holders.

The VAGL Shareholders include Mr. Fitzpatrick and Mr. Casey, directors and Chief Executive Officer and Chief Financial Officer of the Company, respectively.

American SPA

At the closing of the Business Combination, pursuant to the terms of the American SPA in connection with the Business Combination Agreement, American sold its 5,804 Class Z ordinary shares of Vertical Aerospace Group Ltd., our wholly-owned subsidiary, to the Company in consideration for 6,125,000 ordinary shares.

Lock-Up Agreements

At the closing of the Business Combination, each of (i) the VAGL Shareholders, (ii) the Sponsor, (iii) the Avolon Warrantholders and (iv) American entered into lock-up agreements with the Company.

The VAGL Shareholder Lock-Up Agreement

The VAGL Shareholder Lock-Up Agreement contains certain restrictions on transfer with respect to 90% of the ordinary shares received by the VAGL Shareholders pursuant to the Business Combination Agreement, and excludes shares purchased in the public market or in the PIPE Financing. Such restrictions begin at the Closing and end on the third anniversary of the Closing, with 30% of such Ordinary Shares being released from such restrictions on each anniversary of the Closing, subject to the earlier release of such restrictions if at any time the closing price of ordinary shares equals or exceeds $15.00 per share for any 20 trading days within any 30-trading day period commencing on or after the two-year anniversary of Closing.

The VAGL Shareholder Lock-Up Agreement also contains restrictions on voting rights, pre-emption rights, dividends and other rights as our shareholder, over Earn Out Shares, being 20% of the ordinary shares held by the VAGL Shareholders immediately following the Closing. Such restrictions in respect of the Earn Out Shares are released as to 50% on the date the closing price of ordinary shares equals or exceeds $15.00 per share for any 20 trading days within any 30-trading day period and as to 50% on the date the closing price of ordinary shares equals or exceeds $20.00 per share for any 20 trading days within any 30-trading day period. If such dates do not occur prior to the fifth-year anniversary of the Closing then such ordinary shares will be forfeited and surrendered to us for cancellation and for nil consideration.

The Sponsor Lock-Up Agreement

The Sponsor Lock-Up Agreement contains certain restrictions on transfer with respect to 90% of the Ordinary Shares received by the Sponsor pursuant to the Business Combination Agreement, and excludes shares purchased in the public market or in the PIPE Financing. Such restrictions begin at the Closing and end on the third anniversary of the Closing, with 30% of such ordinary shares being released from such restrictions on each anniversary of the Closing, subject to the earlier release of such restrictions if at any time the closing price of ordinary shares equals or exceeds $15.00 per share for any 20 trading days within any 30-trading day period commencing on the two-year anniversary of Closing.

The American Lock-Up Agreement

The American Lock-Up Agreement contains certain restrictions on transfer with respect to 90% of the ordinary shares received by American pursuant to the American SPA, and excludes shares purchased in the public market or in the PIPE Financing.

Such restrictions begin at the Closing and end on the third anniversary of the Closing, with 30% of such ordinary shares being released from such restrictions on each anniversary of the Closing, subject to the earlier release of such restrictions if at any time the closing price of ordinary shares equals or exceeds $15.00 per share for any 20 trading days within any 30-trading day period commencing on or after the two-year anniversary of the Closing.

The Avolon Lock-Up Agreements

The Avolon Lock-Up Agreements contain certain restrictions on transfer with respect to 90% of the ordinary shares represented by Warrant A1 and Warrant A2 (as defined in the Avolon Warrant Instrument) received by the Avolon Warrantholders pursuant to the Avolon Warrant Instrument. Such restrictions begin at the Closing and end on the third anniversary of the Closing, with 30% of the ordinary shares held by the Avolon Warrantholders being released from such restrictions on each anniversary of the Closing, subject to the earlier release of such restrictions if at any time the closing price of ordinary shares equals or exceeds $15.00 per share for any 20 trading days within any 30-trading day period commencing on the two-year anniversary of Closing.

Convertible Senior Secured Notes

On October 26, 2021, we entered into the Convertible Senior Secured Notes Subscription Agreement with Mudrick Capital Management L.P. ("Mudrick"), pursuant to which, concurrently with the consummation of the Business Combination, (i) Mudrick purchased Convertible Senior Secured Notes of and from the Company in an aggregate principal amount of $200,000,000 for an aggregate Purchase Price of $192,000,000, and the Company issued and sold to Mudrick the Convertible Senior Secured Notes in consideration for the payment of the Purchase Price, and (ii) the Company issued to Mudrick 4,000,000 Convertible Notes Warrants.

The Convertible Senior Secured Notes are initially convertible into up to 18,181,820 ordinary shares (excluding any interest, and subject to adjustments as provided in the Indenture) at an initial conversion rate of 90.9091 ordinary shares per $1,000 principal amount of Convertible Senior Secured Note, subject to adjustments to such rate as provided in the Indenture, at any time prior to the close of business on the second scheduled trading day immediately before the maturity date of the Convertible Senior Secured Notes. If Mudrick elects to convert all of the Convertible Senior Secured Notes into ordinary shares, Mudrick will own more than 5% of our ordinary shares based on the current number of ordinary shares issued and outstanding.

Upon the occurrence of a Fundamental Change (as defined in the Indenture), then Mudrick has the right, at its option, to require us to repurchase for cash all or any portion of its Convertible Senior Secured Notes in principal amounts of $1,000 or an integral multiple thereof, at a fundamental change repurchase price equal to the principal amount of the Convertible Senior Secured Notes to be repurchased plus, if repurchased before the second anniversary of issuance, certain make-whole premiums, plus accrued and unpaid interest to, but excluding, the repurchase date.

The Convertible Senior Secured Notes bears interest at the rate of 7.00% per annum if we elect to pay interest in cash or 9.00% per annum if we elect to pay interest in-kind, and interest is paid semi-annually in arrears. Upon the occurrence, and during the continuation, of an event of default, an additional 2.00% will be added to the stated interest rate. The Convertible Senior Secured Notes will mature on the fifth anniversary of issuance and will be redeemable at any time by us, in whole but not in part, for cash, at par plus, if redeemed before the second anniversary of issuance, certain make-whole premiums as specified in the indenture governing the Convertible Senior Secured Notes. Subject to the terms of the indenture governing the Convertible Senior Secured Notes, Broadstone and VAGL provided full and unconditional guarantees under the Convertible Senior Secured Notes upon consummation of the Business Combination. The Convertible Senior Secured Notes Subscription Agreement also contains other customary representations, warranties, covenants and agreements of the parties thereto.

Relationship with Dómhnal Slattery

On January 27, 2022, the Company and Mr. Fitzpatrick entered into an option agreement with Mr. Slattery, the chairman of our board of directors, pursuant to which, subject to Mr. Slattery's continued service as Chairman of the Company's board of directors throughout the vesting period and other terms set out therein, Mr. Fitzpatrick granted Mr.

Slattery options to require Mr. Fitzpatrick to sell and Mr. Slattery to purchase up to an aggregate of 1,175,000 ordinary shares of the Company for an exercise price of $0.0001 per share, with the option to expire on January 25, 2029.

Director and Officer Indemnification

Our Amended and Restated Memorandum and Articles of Association provides for indemnification and advancement of expenses for our directors and officers to the fullest extent permitted under Cayman Islands laws, subject to certain limited exceptions. We have entered into indemnification agreements with each of our directors.

Policies and Procedures for Related Person Transactions

Our board of directors adopted a written related person transaction policy that sets forth the following policies and procedures for the review and approval or ratification of related person transactions. A "related person transaction" is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related person had, has or will have a direct or indirect material interest. A "related person" means:

- any person who is, or at any time during the applicable period was, one of our executive officers or directors;
- any person who is known by us to be the beneficial owner of more than 5% of our voting shares;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother in- law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of our voting shares, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of our voting shares; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal, or in a similar position, or in which such person has a 10% or greater beneficial ownership interest.

We have policies and procedures designed to minimize potential conflicts of interest arising from any dealings we may have with our affiliates and to provide appropriate procedures for the disclosure of any real or potential conflicts of interest that may exist from time to time. Specifically, pursuant to our audit committee charter, the audit committee will have the responsibility to review related party transactions.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See Item 18. "*Financial Statements*."

Legal and Arbitration Proceedings

From time to time, we may be involved in various claims and legal proceedings related to claims arising out of our operations. We are not currently a party to any material legal proceedings, including any such proceedings that are pending or threatened, of which we are aware.

Dividend Policy

We have never declared or paid any cash dividend, and do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant.

In the year ended December 31, 2021, we did not declare or pay any dividends.

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ordinary shares and warrants commenced trading on the NYSE on December 16, 2021. Prior to that date, there was no public trading market for our ordinary shares or warrants.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares and warrants are listed on the NYSE under the symbols “EVTL” and “EVTLW,” respectively.

D. Selling Shareholders

Not Applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

A copy of our Amended and Restated Memorandum and Articles of Association is attached as Exhibit 1.1 to this Annual Report. The information called for by this Item is set forth in Exhibit 2.6 to this Annual Report and is incorporated by reference into this Annual Report.

C. Material Contracts

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

D. Exchange Controls

There are currently no exchange control regulations in the Cayman Islands applicable to us or our shareholders.

E. Taxation

The following summary contains a description of certain Cayman Islands, United Kingdom and U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares and warrants, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase ordinary shares or warrants. The summary is based upon the tax laws of the Cayman Islands, United Kingdom and United States, and regulations thereunder as of the date hereof, which are subject to change.

Material Cayman Islands Tax Considerations

The following discussion is a summary of the material Cayman Islands tax considerations relating to the purchase, ownership and disposition of our ordinary shares. There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to us will be received free of all Cayman Islands taxes. We have applied for and can expect to receive an undertaking from the Financial Secretary of the Cayman Islands to the effect that, for a period of twenty years from the date of the undertaking, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Company, or to the shareholders thereof, in respect of any such property or income.

No stamp duty in the Cayman Islands is payable in respect of the issue of any ordinary shares or an instrument of transfer in respect of an ordinary share.

Material United Kingdom Tax Considerations

The following discussion is a summary of the material United Kingdom tax considerations relating to the purchase, ownership and disposition of our ordinary shares.

The following statements are of a general nature and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding and disposing of ordinary shares. They are based on current UK tax law and on the current published practice of Her Majesty's Revenue and Customs ("HMRC") (which may not be binding on HMRC), as of the date of this Annual Report, all of which are subject to change, possibly with retrospective effect. They are intended to address only certain UK tax consequences for holders of ordinary shares who are tax resident in (and only in) the UK (or, in the case of corporate holders, who are not residents but carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected), and in the case of individuals, domiciled in (and only in) the UK (except where expressly stated otherwise) who are the absolute beneficial owners of the ordinary shares and any dividends paid on them and who hold the ordinary shares as investments (other than in an individual savings account or a self-invested personal pension). They do not address the UK tax consequences which may be relevant to certain classes of holders of ordinary shares such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organizations, trustees, persons connected with us or our group, persons holding their ordinary shares as part of hedging or conversion transactions, holders of ordinary shares who have (or are deemed to have) acquired their ordinary shares by virtue of an office or employment, and holders of ordinary shares who are or have been our officers or employees or a company forming part of our group. The statements do not apply to any holder of ordinary shares who either directly or indirectly holds or controls 10% or more of our share capital (or class thereof), voting power or profits.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular prospective subscriber for, or purchaser of, ordinary shares. Accordingly, prospective subscribers for, or purchasers of, ordinary shares who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of ordinary shares or who are subject to tax in a jurisdiction other than the UK should consult their own tax advisers.

The following discussion does not consider the United Kingdom tax considerations relating to the purchase, ownership or disposition of the Public Warrants.

The Company

It is the intention of the directors to conduct our affairs so that our central management and control is exercised in the UK. As a result, we are expected to be treated as resident in the UK for UK tax purposes. Accordingly, we expect to be subject to UK taxation on our income and gains, except where an exemption applies.

Taxation of Dividends

Withholding Tax

We will not be required to withhold UK tax at source when paying dividends. The amount of any liability to UK tax on dividends paid by us will depend on the individual circumstances of a holder of ordinary shares.

Income Tax

An individual holder of ordinary shares who is resident for tax purposes in the UK may, depending on his or her particular circumstances, be subject to UK tax on dividends received from the Company. Dividend income is treated as the top slice of the total income chargeable to UK income tax. An individual holder of ordinary shares who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from us unless he or she carries on (whether solely or in partnership) any trade, profession or vocation in the UK through a branch or agency to which the ordinary shares are attributable. There are certain exceptions for trading in the UK through independent agents, such as some brokers and investment managers.

All dividends received by a UK resident individual holder of ordinary shares from us or from other sources will form part of the holder's total income for income tax purposes and will constitute the top slice of that income. For the tax year 2021/22, a nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the holder of ordinary shares in a tax year. Income within the nil rate band will be taken into account in determining whether income in excess of the nil rate band falls within the basic rate, higher rate or additional rate tax bands. Where the dividend income is above the £2,000 dividend allowance, the first £2,000 of the dividend income will be charged at the nil rate and any excess amount will be taxed at 7.5% to the extent that the excess amount falls within the basic rate tax band, 32.5% to the extent that the excess amount falls within the higher rate tax band and 38.1% to the extent that the excess amount falls within the additional rate tax band. For the tax year 2022/23, the nil rate band remains at £2,000, however, the rate of dividend taxation for each band will be increased by 1.25% such that the applicable rates shall be 8.75% for the basic rate tax band, 33.75% for the higher rate tax band and 39.35% for the additional rate tax band.

Corporation Tax

Corporate holders of ordinary shares which are resident for tax purposes in the UK should not be subject to UK corporation tax on any dividend received from us so long as the dividends qualify for exemption (as is likely) and certain conditions are met (including anti-avoidance conditions). Corporate holders of ordinary shares who are not resident in the UK will not generally be subject to UK corporation tax on dividends unless they are carrying on a trade, profession or vocation in the UK through a permanent establishment in connection with which the ordinary shares are used, held, or acquired.

A holder of ordinary share who is resident outside the UK may be subject to non-UK taxation on dividend income under local law.

Taxation of Capital Gains

UK Resident Holders of ordinary shares

A disposal or deemed disposal of ordinary shares by an individual or corporate holder of ordinary shares who is tax resident in the UK may, depending on the holder's circumstances and subject to any available exemptions or reliefs, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Any chargeable gain (or allowable loss) will generally be calculated by reference to the consideration received for the disposal of ordinary shares less the allowable cost to the holder of acquiring such ordinary shares.

The applicable tax rates for individual holders of ordinary shares realizing a gain on the disposal of ordinary shares for the tax year 2021/22 is, broadly, 10% for basic rate taxpayers and 20% for higher and additional rate

taxpayers. The applicable tax rates for corporate holders of ordinary shares realizing a gain on the disposal of ordinary shares for the tax year 2021/22 is, broadly, 19%. These rates have not changed for the tax year 2022/23.

Non-UK Resident Holders of ordinary shares

Holders of ordinary shares who are not resident in the UK and, in the case of an individual holder, not temporarily non-resident, should not be liable for UK tax on capital gains realized on a sale or other disposal of ordinary shares unless such shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate holder, through a permanent establishment. Holders of ordinary shares who are not resident in the UK may be subject to non-UK taxation on any gain under local law.

Generally, an individual holder of ordinary shares who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of ordinary shares during that period may be liable on their return to the UK to UK taxation on any capital gain realized (subject to any available exemption or relief).

UK Stamp Duty ("stamp duty") and UK Stamp Duty Reserve Tax ("SDRT")

The following statements are intended as a general guide to the current position relating to stamp duty and SDRT and apply to any holders of ordinary shares irrespective of their place of tax residence.

No stamp duty will be payable on the issue of ordinary shares.

Stamp duty will in principle be payable on any instrument of transfer of ordinary shares that is executed in the UK or that relates to any property situated, or to any matter or thing done or to be done, in the UK. An exemption from stamp duty is available on an instrument transferring ordinary shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. Holders of ordinary shares should be aware that, even where an instrument of transfer is in principle subject to stamp duty, stamp duty is not required to be paid unless it is necessary to rely on the instrument for legal purposes, for example to register a change of ownership or in litigation in a UK court.

Provided that ordinary shares are not registered in any register maintained in the UK by or on behalf of us and are not paired with any shares issued by a UK incorporated company, the issue or transfer of (or agreement to transfer) ordinary shares will not be subject to SDRT. We currently do not intend that any register of ordinary shares will be maintained in the UK.

Material U.S. Federal Income Tax Considerations

The following discussion is a summary of the material U.S. federal income tax considerations for U.S. Holders (as defined below) of the ownership and disposition of our ordinary shares and Public Warrants. This discussion applies only to our ordinary shares and Public Warrants that are held as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment).

The following does not purport to be a complete analysis of all potential tax considerations arising in connection with the ownership and disposal of our ordinary shares and Public Warrants. The effects and considerations of other U.S. federal tax laws, such as estate and gift tax laws, alternative minimum or Medicare contribution tax consequences and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect the tax consequences discussed below. We have neither sought nor will seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS will not take or a court will not sustain a contrary position to that discussed below regarding the tax consequences discussed below.

This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- banks, insurance companies, and certain other financial institutions;
- regulated investment companies and real estate investment trusts;
- brokers, dealers or traders in securities;

- traders in securities that elect to mark to market;
- tax-exempt organizations or governmental organizations;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our ordinary shares and/or Public Warrants as part of a hedge, straddle, constructive sale, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our ordinary shares and/or Public Warrants being taken into account in an applicable financial statement;
- persons that actually or constructively own 5% or more (by vote or value) of the outstanding issued ordinary shares;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships or other flow-through entities for U.S. federal income tax purposes (and investors therein);
- U.S. Holders having a functional currency other than the U.S. dollar;
- persons who hold or received our ordinary shares and/or Public Warrants, as the case may be, pursuant to the exercise of any employee share option or otherwise as compensation; and
- tax-qualified retirement plans.

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of our ordinary shares and/or Public Warrants that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a "United States person" (within the meaning of Section 7701(a)(30) of the Code) for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our ordinary shares and/or Public Warrants, the tax treatment of an owner of such entity will depend on the status of the owners, the activities of the entity or arrangement and certain determinations made at the partner level. Accordingly, entities or arrangements treated as partnerships for U.S. federal income tax purposes and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THE U.S. FEDERAL INCOME TAX CONSEQUENCE OF OWNING OUR ORDINARY SHARES AND/OR PUBLIC WARRANTS TO ANY PARTICULAR HOLDER WILL DEPEND ON THE HOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX

CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF OUR ORDINARY SHARES AND/ OR PUBLIC WARRANTS.

Distributions on Ordinary Shares

Subject to the PFIC rules discussed below, the gross amount of distributions made by us with respect to the ordinary shares generally will be includable in a U.S. Holder's gross income as foreign-source dividend income in the year actually or constructively received by such U.S. Holder, but only to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions to a U.S. Holder in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the ordinary shares and thereafter as capital gain. In the event we make distributions to U.S. Holders of ordinary shares, we may or may not calculate our earnings and profits under U.S. federal income tax principles. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. U.S. Holders should therefore assume that all cash distributions will be reported as ordinary dividend income, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain. The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution. U.S. Holders should consult their own tax advisors to determine whether and to what extent they will be entitled to foreign tax credits in respect of any dividend income received.

With respect to non-corporate U.S. Holders (including individuals, estates, and trusts), dividends received with respect to our ordinary shares may be considered "qualified dividend income" subject to lower capital gains rates, provided that (1) the ordinary shares are readily tradable on an established securities market in the United States or we are eligible for the benefits of the income tax treaty between the United States and the United Kingdom, (2) we are not a PFIC (as discussed below) for either our taxable year in which the dividend was paid or the preceding taxable year and (3) certain holding period requirements are met. In this regard, the ordinary shares will generally be considered to be readily tradable on an established securities market in the United States if they are listed on the NYSE, as we intend the ordinary shares will be. U.S. Holders should consult their own tax advisors regarding the availability of the lower rate for the dividends paid with respect to the ordinary shares.

Subject to certain exceptions, dividends paid by us with respect to the ordinary shares will generally constitute foreign-source "passive category income" and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. Holders in respect of dividends received from U.S. corporations.

Sale or Other Taxable Disposition of Ordinary Shares and Public Warrants

Subject to the PFIC rules discussed below, upon a sale or other disposition of the ordinary shares and/or Public Warrants, a U.S. Holder generally will recognize a capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such ordinary shares and/or Public Warrants. A U.S. Holder's adjusted tax basis in such ordinary shares and/or Public Warrants generally will be such U.S. Holder's purchase price for the ordinary shares and/or Public Warrants. Any such gain or loss generally will be U.S.-source gain or loss and will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the ordinary shares and/or Public Warrants exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations.

Any such gain or loss recognized generally will be treated as U.S. source gain or loss. U.S. Holders are urged to consult their own tax advisor regarding the ability to claim a foreign tax credit and the application of the income tax treaty between the United States and the United Kingdom to such U.S. Holder's particular circumstances.

Exercise or Lapse of a Public Warrant

Except as discussed below with respect to the cashless exercise of a warrant, a U.S. Holder generally will not recognize gain or loss upon the acquisition of an ordinary share on the exercise of a Public Warrant for cash. A U.S. Holder's tax basis in ordinary shares received upon exercise of the warrant generally should be an amount equal to the sum of the U.S. Holder's tax basis in the Public Warrant exercised therefore and the exercise price. The U.S. Holder's holding period for an ordinary share received upon exercise of the Public Warrant will begin on the date following the date of exercise (or possibly the date of exercise) of the warrant and will generally not include the period during which the U.S. Holder held the warrant. If a Public Warrant is allowed to lapse unexercised, a U.S. Holder that has otherwise

received no proceeds with respect to such warrant generally will recognize a capital loss equal to such U.S. Holder's tax basis in such warrant.

The tax consequences of a cashless exercise of a Public Warrant are not clear under current U.S. federal income tax law. A cashless exercise may be tax-deferred, either because the exercise is not a realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either situation, a U.S. Holder's basis in the ordinary shares received would equal the U.S. Holder's basis in the warrants exercised therefor. If the cashless exercise is not treated as a realization event, a U.S. Holder's holding period in the ordinary shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the warrants. If the cashless exercise were treated as a recapitalization, the holding period of the ordinary shares would include the holding period of the warrants exercised therefor.

It is also possible that a cashless exercise of a Public Warrant could be treated in part as a taxable exchange in which gain or loss would be recognized in the manner set forth above under " —Sale or Other Taxable Disposition of Ordinary Shares and Public Warrants." In such event, a U.S. Holder could be deemed to have surrendered warrants equal to the number of ordinary shares having an aggregate fair market value equal to the exercise price for the total number of warrants to be exercised. The U.S. Holder would recognize capital gain or loss in an amount generally equal to the difference between (i) the fair market value of the Public Warrants deemed surrendered and (ii) the U.S. Holder's tax basis in such warrants deemed surrendered. In this case, a U.S. Holder's tax basis in the ordinary shares received would equal the sum of (i) U.S. Holder's tax basis in the Public Warrants deemed exercised and (ii) the exercise price of such warrants. A U.S. Holder's holding period for the ordinary shares received in such case generally would commence on the date following the date of exercise (or possibly the date of exercise) of the warrants.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of warrants, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their own tax advisors regarding the tax consequences of a cashless exercise of Public Warrants.

Possible Constructive Distributions

The terms of each Public Warrant provide for an adjustment to the number of ordinary shares for which the warrant may be exercised or to the exercise price of the warrant in certain events. An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. Holder of a Public Warrant would, however, be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (for instance, through an increase in the number of ordinary shares that would be obtained upon exercise of such warrant) as a result of a distribution of cash or other property such as other securities to the holders of the ordinary shares which is taxable to the holders of such shares as described under " —Distributions on ordinary shares" above. Such constructive distribution would generally be subject to tax as described under that section in the same manner as if the U.S. Holder of such warrant received a cash distribution from us equal to the fair market value of such increased interest. However, it is unclear whether a distribution treated as a dividend deemed paid to a non-corporate U.S. Holder would be eligible for the lower applicable long-term capital gains rates as described above under "—Distributions on Ordinary Shares."

Passive Foreign Investment Company

We will be classified as a PFIC within the meaning of Section 1297 of the Code, for any taxable year if either: (1) at least 75% of the gross income of the Company is "passive income" for purposes of the PFIC rules or (2) at least 50% of the value of our assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, we will be treated as owning the proportionate share of the assets, and earning the proportionate share of the income, of any other corporation in which we own, directly or indirectly, 25% or more measured by value of the stock. We are an early stage company and do not expect to realize revenue from our manufacturing operations before 2025. Until we generate revenue, our PFIC status would largely depend on whether we earn non-passive income, such as government grants, and whether the amount of such non-passive income exceeds 25% of our gross income for the relevant taxable year. While not clear, taking into account our income, assets and market capitalization, we believe that we were not a PFIC for the taxable year that ended on December 31, 2021. Even after we start generating revenue, our PFIC status would depend on, among other things, the composition of the income, assets and operations of us and our subsidiaries and there can be no assurances that we will not be treated as a PFIC again in any future taxable year. Moreover, the application of the PFIC rules is subject to uncertainty in several

respects, and we cannot assure you that the IRS will not take a contrary position or that a court will not sustain such a challenge by the IRS.

If we are considered a PFIC for any taxable year that a U.S. Holder holds ordinary shares or Public Warrants, we would continue to be treated as a PFIC with respect to such U.S. Holder's investment unless (i) we ceased to be a PFIC and (ii) the U.S. Holder made a "deemed sale" election under the PFIC rules. If such election is made, a U.S. Holder will be deemed to have sold its ordinary shares and/or Public Warrants at their fair market value on the last day of the last taxable year in which we are classified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the deemed sale election, the ordinary shares or Public Warrants with respect to which the deemed sale election was made will not be treated as shares or warrants in a PFIC unless we subsequently become a PFIC.

For each taxable year that we are treated as a PFIC with respect to a U.S. Holder's ordinary shares or Public Warrants, the U.S. Holder will be subject to special tax rules with respect to any "excess distribution" (as defined below) received and any gain realized from a sale or disposition (including a pledge) of its ordinary shares or warrants (collectively the "Excess Distribution Rules"), unless the U.S. Holder makes a valid QEF election or mark-to-market election as discussed below. Distributions received by a U.S. Holder in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the ordinary shares will be treated as excess distributions. Under the Excess Distribution Rules:

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

Under the Excess Distribution Rules, the tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses, and gains (but not losses) realized on the sale of the ordinary shares or warrants cannot be treated as capital gains, even though the U.S. Holder holds the ordinary shares or warrants as capital assets.

Once we are a PFIC, U.S. Holders may also be subject to the Excess Distribution Rules with respect to subsidiaries and other entities which we may hold, directly or indirectly, that are PFICs (collectively, "Lower-Tier PFICs"). There can be no assurance that we do not own, or will not in the future acquire, an interest in a subsidiary or other entity that is or would be treated as a Lower-Tier PFIC. U.S. Holders should consult their own tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

If we are a PFIC, a U.S. Holder of ordinary shares (but generally not warrants) may avoid taxation under the Excess Distribution Rules described above by making a "qualified electing fund" ("QEF") election. However, a U.S. Holder may make a QEF election with respect to its ordinary shares only if we provide U.S. Holders on an annual basis with certain financial information specified under applicable U.S. Treasury regulations. Because we do not intend to provide such information, however, the QEF Election will not be available to U.S. Holders with respect to our ordinary shares and a QEF election is not available with respect to warrants.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) may make a mark-to-market election for its ordinary shares to elect out of the Excess Distribution Rules discussed above if we are treated as a PFIC. If a U.S. Holder makes a mark-to-market election with respect to its ordinary shares, such U.S. Holder will include in income for each year that we are treated as a PFIC with respect to such ordinary shares an amount equal to the excess, if any, of the fair market value of the ordinary shares as of the close of the U.S. Holder's taxable year over the adjusted basis in the ordinary shares. A U.S. Holder will be allowed a deduction for the excess, if any, of the adjusted basis of the ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowed only to the extent of any net mark-to-market gains on the ordinary shares included in the U.S. Holder's income for prior taxable years. Amounts included in income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ordinary shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ordinary shares, as well as to any loss realized on the actual sale or disposition of the ordinary shares, to the extent the amount of such loss does not exceed the net mark-to-market gains for such ordinary shares previously included in income. A U.S. Holder's basis in the ordinary shares will be adjusted to reflect any mark-to-market income or loss. If a U.S. Holder makes a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under " *—Distributions on Ordinary Shares,*" except the lower rates applicable to qualified dividend income would not apply. U.S. Holders of Public Warrants will not be able to make a mark-to-market election with respect to their Public Warrants.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. The ordinary shares, which are listed on NYSE, are expected to qualify as marketable stock for purposes of the PFIC rules, but there can be no assurance that ordinary shares will be "regularly traded" for purposes of these rules. Because a mark-to-market election is generally not available for equity interests in any Lower-Tier PFICs, a U.S. Holder will continue to be subject to the Excess Distribution Rules with respect to its indirect interest in any Lower-Tier PFICs as described above, even if a mark-to-market election is made for the ordinary shares.

If a U.S. Holder does not make a mark-to-market election (or a QEF election) effective from the first taxable year of a U.S. Holder's holding period for the ordinary shares in which we are a PFIC, then the U.S. Holder generally will remain subject to the Excess Distribution Rules. A U.S. Holder that first makes a mark-to-market election with respect to the ordinary shares in a later year will continue to be subject to the Excess Distribution Rules during the taxable year for which the mark-to-market election becomes effective, including with respect to any mark-to-market gain recognized at the end of that year. In subsequent years for which a valid mark-to-mark election remains in effect, the Excess Distribution Rules generally will not apply. A U.S. Holder that is eligible to make a mark-to-market with respect to its ordinary shares may do so by providing the appropriate information on IRS Form 8621 and timely filing that form with the U.S. Holder's tax return for the year in which the election becomes effective. U.S. Holders should consult their own tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any Lower-Tier PFICs.

A U.S. Holder of a PFIC may be required to file an IRS Form 8621 on an annual basis. U.S. Holders should consult their own tax advisors regarding any reporting requirements that may apply to them if we are a PFIC.

U.S. Holders are strongly encouraged to consult their tax advisors regarding the application of the PFIC rules to their particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements may apply to distributions received by U.S. Holders of ordinary shares, and the proceeds received on sale or other taxable the disposition of ordinary shares and/or Public Warrants effected within the United States (and, in certain cases, outside the United States), in each case other than U.S. Holders that are exempt recipients (such as corporations). Backup withholding may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent of the U.S. Holder's broker) or is otherwise subject to backup withholding. Any distributions with respect to ordinary shares and proceeds from the sale, exchange, redemption or other disposition of ordinary shares and/or Public Warrants may be subject to information reporting to the IRS and possible U.S. backup withholding. U.S. Holders should consult their own tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information returns may be filed with the IRS in connection with, and Non-U.S. Holders may be subject to backup withholding on amounts received in respect of, a Non-U.S. Holder's disposition of their ordinary shares and/or Public Warrants, unless the Non-U.S. Holder furnishes to the applicable withholding agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable, or the Non-U.S. Holder otherwise establishes an exemption. Distributions paid with respect to ordinary shares and proceeds from the sale of other disposition of ordinary shares and/or Public Warrants received in the United States by a Non-U.S. Holder through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding unless such Non-U.S. Holder provides proof an applicable exemption or complies with certain certification procedures described above, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding generally may be credited against the taxpayer's U.S. federal income tax liability, and a taxpayer may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. We are required to make certain filings with the SEC. The SEC maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that site is www.sec.gov.

We also maintain an Internet website at *https://vertical-aerospace.com*. Through our website, we will make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our annual reports on Form 20-F; our reports on Form 6-K; amendments to these documents; and other information as may be required by the SEC. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this Annual Report.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily consist of market risk, credit risk and liquidity risk as follows. For further discussion and sensitivity analysis of these risks, see Note 26 to our consolidated financial statements, which are included elsewhere in this Annual Report.

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from prepayments to suppliers and distributors and deposits with our bank.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £6,316,000 being the total of the carrying amount of financial assets excluding cash, which includes trade receivables and other receivables.

The allowance account of trade receivables is used to record impairment losses unless we are satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are moved to the allowance account to be written off against the trade receivables directly. We provide for impairment losses based on estimated irrecoverable amounts determined by reference to specific circumstances and the experience of management of debtor default in the industry. On that basis, the loss allowance as at December 31, 2021 and December 31, 2020 was determined as £nil for trade receivables.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect our financial position. Our principal exposure to market risk is exposure to foreign exchange rate fluctuations. There are currently no currency forwards, options or swaps to hedge this exposure.

We are exposed to foreign exchange risk arising from exposure to various currencies in the ordinary course of business. We hold our cash in GBP and the majority of our costs are in GBP. We also have supply contracts denominated in USD and EUR. In 2020 and 2021, we did not consider foreign exchange rate risk to have a material impact on the financial statements and therefore no sensitivity analysis is presented.

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our management team uses short and long-term cash flow forecasts to manage liquidity risk. Forecasts are supplemented by sensitivity analysis, which is used to assess funding adequacy for at least a 12 month period. We manage our cash resources to ensure we have sufficient funds to meet all expected demands as they fall due.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

See "*Item 10—Additional Information—B. Memorandum and Articles of Association*" for a description of the rights of securities holders, which remain unchanged.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. Based on the material weaknesses described below, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of December 31, 2021, our disclosure controls and procedures were not effective. Notwithstanding the identified material weaknesses, our Chief Executive Officer and Chief Financial Officer have concluded that the consolidated financial statements included elsewhere in this Annual Report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

Identified Material Weaknesses

In connection with the preparation of our consolidated financial statements for each of the years covered by this report, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in our internal control over financial reporting environment driven by the lack of a sufficient number of trained professionals with an appropriate level of accounting knowledge, training and experience, which lead to our inability to: (i) design and maintain controls over the segregation of duties between the creation and posting of journal entries and review of account reconciliations; (ii) design and maintain formal accounting policies, procedures and controls across multiple processes; and (iii) analyze, record and disclose complex accounting matters timely and accurately.

Each of the material weaknesses described above may result in a misstatement of one or more account balances or disclosures that could result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute material weaknesses.

Remediation Activities

During the period covered by this Annual Report, we made the following changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting:

- We have hired additional employees dedicated to accounting, reporting and control procedures;
- We have utilized external specialists to assist with complex or judgmental accounting matters.

Further, subsequent to the year end:

- We have established an audit committee comprising of two independent directors;

- We have started implementing an enterprise resource planning system that is specifically designed to meet the needs of a project based manufacturing business;

- We are in the process of developing formal accounting policies, process flows and implementing formalized controls including segregation of duties across various business processes to improve our internal controls over financial reporting.

While progress has been made to enhance our internal control over financial reporting, we are still in the process of implementing, documenting and testing these processes, procedures and controls. The process of implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligations. Additional time is required to complete implementation as well as to assess and ensure the sustainability of these procedures. We believe these actions will be effective in remediating the material weaknesses described above and we will continue to devote significant time and attention to these remediation efforts. However, the material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. As we continue to evaluate and take actions to improve our internal control over financial reporting, we may take additional actions to address control deficiencies or modify certain of the remediation measures described above.

Management's Annual Report on Internal Control over Financial Reporting

This Annual Report does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. Additionally, our independent registered public accounting firm will not be required to opine on the effectiveness of our internal control over financial reporting until we are no longer an emerging growth company.

Change in Internal Control Over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal control over financial reporting. Except as otherwise described above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Kathy Cassidy, a member of our audit committee, is a "financial expert," as defined in Item 16A of Form 20-F. Ms. Cassidy is "independent," as defined in Rule 10A-3 under the Exchange Act. For a description of Ms. Cassidy's experience, see Item 6.A. "*Directors, Senior Management and Employees—Executive Officers and Board Members*."

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all our directors, officers and employees, including our principal executive, principal financial and principal accounting officers. Our Code of Business Conduct and Ethics addresses, among other things, conflicts of interest, corporate opportunity requirements, confidentiality, competition and fair dealing, financial matters and external reporting, our funds and assets, as well as the process for reporting violations of the Code of Business Conduct and Ethics and employee misconduct. Our Code of Business Conduct and Ethics is intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act.

We intend to disclose on our website any amendment to, or waiver from, a provision of our Code of Conduct and Ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or NYSE. Our Code of Business Conduct and Ethics is available on our website at *investor.vertical-aerospace.com*. The information contained on our website is not incorporated by reference in this Annual Report.

Item 16C. Principal Accountant Fees and Services

The consolidated financial statements of Vertical Aerospace Ltd. as of December 31, 2021 and 2020, and for each of the two years in the period ended December 31, 2021, appearing in this Annual Report have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The registered business address of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH, United Kingdom.

The table below sets out the total amount billed to us by PricewaterhouseCoopers LLP for services performed in the years ended December 31, 2021 and 2020, and breaks down these amounts by category of service:

	2021	2020
	£'000	£'000
Audit Fees	406	6
Audit Related Fees	1,175	—
Tax Fees	—	—
All Other Fees	—	—
Total	1,581	6

Audit Fees

Audit fees for the years ended December 31, 2021 and 2020 were related to the audit of our consolidated and subsidiary financial statements and other audit or interim review services provided in connection with statutory and regulatory filings or engagements.

Audit Related Fees

Audit related fees for the year ended December 31, 2021 were primarily related to services in connection with the consummation of the Business Combination and our NYSE listing.

Pre-Approval Policies and Procedures

The advance approval of the Audit Committee or the Chair thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

All services provided by our auditors are approved in advance by either the Audit Committee or the Chair thereof, to whom authority has been delegated, in accordance with the Audit Committee's pre-approval policy.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

We are a “foreign private issuer” As a “foreign private issuer,” as defined by the SEC, we are permitted to follow home country corporate governance practices, instead of certain corporate governance practices required by the NYSE for domestic issuers. We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the NYSE listing standards.

We intend to follow corporate governance practices as contained in the Companies Act and other Cayman Islands laws and regulations in lieu of NYSE corporate governance rules as follows, none of which is required under the laws of the Cayman Islands:

- We do not intend to follow Section 303A.01 of the NYSE Listed Company Manual ("NYSE Rules"), which requires that a listed company must have a majority of independent directors;
- We do not intend to follow Section 303A.03 of the NYSE Rules, which requires that non-management directors of a listed company must meet a regularly scheduled executive sessions without management; our non-management directors may choose to meet in executive sessions at their discretion;
- We do not intend to follow Section 303A.04 of the NYSE Rules, which requires that a listed company must have a nominating/corporate governance committee composed entirely of independent directors;
- We do not intend to follow Section 303.A05 of the NYSE Rules, which requires that a listed company have a compensation committee composed entirely of independent directors and that they satisfy the additional independence requirements specific to compensation committee membership set for in Rule 303A.02(a)(ii); and
- We do not intend to follow Section 303A.07(a) of the NYSE Rules, which requires that a listed company have an audit committee that is composed of at least three members.

Section 312.03 of the NYSE Rules also requires that a listed company obtain, in specified circumstances, (1) shareholder approval to adopt or materially revise equity compensation plans, as well as (2) shareholder approval prior to an issuance (a) of more than 1% of its ordinary share (including derivative securities thereof) in either number or voting power to related parties, (b) of more than 20% of its outstanding ordinary share (including derivative securities thereof) in either number or voting power or (c) that would result in a change of control, none of which requires shareholder approval under the laws of the Cayman Islands. We intend to follow home country law in determining whether shareholder approval is required.

Section 302 of the NYSE Rules also requires that a listed company hold an annual shareholders' meeting for holders of securities during each fiscal year. We may follow home country law in determining whether and when such shareholders' meetings are required.

We may in the future decide to use other foreign private issuer exemptions with respect to some or all of the other requirements under the NYSE Rules. Following our home country governance practices may provide less protection than is accorded to investors under the NYSE listing requirements applicable to domestic issuers.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and NYSE listing standards. Because we are a foreign private issuer, our directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 17. Financial Statements

We have provided financial statements pursuant to Item 18.

Item 18. Financial Statements

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

Item 19. Exhibits

List all exhibits filed as part of the registration statement or annual report, including exhibits incorporated by reference.

		Incorporation by Reference				
Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date	Filed / Furnished
1.1	Amended and Restated Memorandum and Articles of Association of Vertical Aerospace Ltd.	6-K	001-41169	1.1	12/16/2021	
2.1	Specimen Ordinary Share Certificate of Vertical Aerospace Ltd.	F-4	333-257785	4.2	7/9/2021	
2.2	Warrant Agreement between Broadstone and Continental Stock Transfer & Trust Company, dated as of September 10, 2020.	F-4	333-257785	4.4	7/9/2021	
2.3	Assignment, Assumption and Amendment Agreement (Warrant Agreement) dated December 15, 2021, between Vertical Aerospace Ltd. and Continental Stock Transfer & Trust Company, dated as of September 10, 2020.					*
2.4	Warrant Agreement between Mudrick Capital Management L.P. and Vertical Aerospace Ltd. dated as of October 26, 2021.	F-1	333-262207	4.8	1/18/2022	
2.5	Indenture December 16, 2021, between Vertical, Broadstone as guarantor, VAGL as guarantor and U.S. Bank National Association as trustee and collateral agent for the Convertible Senior Secured Notes.					*
2.6	Description of Securities					*
4.1†	Business Combination Agreement, dated as of June 10, 2021, by and among Broadstone, Vertical, Merger Sub, VAGL and the VAGL Shareholders.	F-4	333-257785	2.1	7/9/2021	
4.2	Registration Rights Agreement dated December 15, 2021, by and among Vertical, Sponsor, Broadstone and other parties as set forth thein.					*
4.3	Form of Subscription Agreement, by and among Vertical and the subscribers party thereto.	F-4	333-257785	10.6	7/9/2021	
4.4	Shareholder Support Letter dated June 10, 2021, by and among Vertical, the Sponsor, Broadstone, VAGL and Merger Sub.					*
4.5	Sponsor Support Letter dated June 10, 2021, by and among Vertical, Broadstone, VAGL and the parties named thereto.					*
4.6††	Vertical Aerospace Ltd. 2021 Incentive Award Plan.					*
4.7††	Form of Vertical Aerospace Ltd. Replacement Enterprise Management Incentive Option Agreements.	S-8	333-263815	4.4	3/24/2022	
4.8	Avolon Warrant Instrument dated December 16, 2021, by and among Vertical, Broadstone, the Sponsor, Merger Sub, VAGL and other parties listed therein.					*
4.9	American Warrant Instrument dated December 16, 2021, by and among Vertical, Broadstone, the Sponsor, Merger Sub, VAGL and other parties listed therein.					*
4.10	Loan Note Holder Share Purchase Agreement dated June 10, 2021, by and among Vertical, Broadstone, the Sponsor, Merger Sub, VAGL and other parties listed therein.					*
4.11	American Share Purchase Agreement dated June 10, 2021, by and among Vertical, Broadstone, the Sponsor, Merger Sub, VAGL and other parties listed therein.					*

4.12	Call Option Agreement dated December 16, 2021, by and among American and VAGL.					*
4.13	Avolon Partnership Agreement, dated March 16, 2021, between VAGL and Avolon Aerospace Leasing Limited.	F-4	333-257785	10.15	8/24/2021	
4.14	Rent Deposit Deed, dated July 15, 2021, between Anthony Nigel Samson, VAGL and Imagination Industries Limited.	F-4	333-257785	10.16	8/24/2021	
4.15	Licence to Assign, dated July 15, 2021, between Anthony Nigel Samson, Vertical, Imagination Industries Limited and VAGL.	F-4	333-257785	10.17	8/24/2021	
4.16‡	Memorandum of Understanding, dated June 10, 2021, by and between American and VAGL.	F-4	333-257785	10.18	10/8/2021	
4.17	Memorandum of Understanding, dated June 8, 2021, by and between Virgin Atlantic and VAGL.	F-4	333-257785	10.19	11/1/2021	
4.18	Virgin Atlantic Warrant Instrument, dated October 29, 2021, by and among Vertical, Broadstone, the Sponsor, Merger Sub, VAGL and other parties listed therein.	F-4	333-257785	10.20	11/1/2021	
4.19	Loan Agreement dated October 22, 2021, between Stephen Fitzpatrick and VAGL.	F-4	333-257785	10.21	11/1/2021	
4.20	Form of Indemnification and Advancement Agreement.	6-K	001-41169	10.1	12/16/2021	
4.21††	Form of Director Appointment Letter.	F-1	333-262207	10.23	1/18/2022	

Exhibit No.	Description	Incorporation by Reference				Filed / Furnished
		Form	File No.	Exhibit No.	Filing Date	
4.22††	Option Agreement, dated January 27, 2022, between Vertical, Stephen Fitzpatrick and Dómhnal Slattery.					*
8.1	List of Subsidiaries.					*
12.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
12.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
13.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
13.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
15.1	Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm.					*
101.INS	Inline XBRL Instance Document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).					*

* Filed herewith.

** Furnished herewith.

† Schedules and exhibits to this Exhibit omitted. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

†† Indicates a management contract or compensatory plan.

‡ Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) is the type that the registrant treats as private or confidential.

Certain agreements filed as exhibits to this Annual Report contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and that may not be reflected in such agreements. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements.

SIGNATURES

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

Vertical Aerospace Ltd.

Date: April 28, 2022

By: /s/ Stephen Fitzpatrick
Name: Stephen Fitzpatrick
Title: Chief Executive Officer

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Vertical Aerospace Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Vertical Aerospace Ltd. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

/s/PricewaterhouseCoopers LLP
Bristol, United Kingdom
April 28, 2022

We have served as the Company's auditor since 2017.

Vertical Aerospace Ltd

Consolidated Statement of Comprehensive Income for the Years Ended December 31, 2021, December 31, 2020 and December 31, 2019

	Note	2021	2020	2019
		£ 000	£ 000	£ 000
Revenue	5	132	87	70
Cost of sales		(64)	(44)	(66)
Gross profit		68	43	4
Research and development expenses	7	(24,291)	(9,971)	(5,153)
Administrative expenses	7	(264,260)	(3,760)	(2,554)
Related party administrative expenses	7	(108)	(144)	(144)
Other operating income	6	11,352	2,317	399
Operating loss		(277,239)	(11,515)	(7,448)
Finance income/(costs)	8	32,498	(98)	(66)
Related party finance costs	8	(483)	(709)	—
Total finance income/(cost)	8	32,015	(807)	(66)
Loss before tax		(245,224)	(12,322)	(7,514)
Income tax expense	10	—	(4)	30
Net loss for the period		(245,224)	(12,326)	(7,484)
Foreign exchange translation differences		(85)	—	—
Total comprehensive loss for the year		(245,309)	(12,326)	(7,484)
		£	£	£
Basic and diluted loss per share	9	(1.98)	(0.12)	(0.07)

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Vertical Aerospace Ltd

Consolidated Statement of Financial Position as at December 31, 2021 and December 31, 2020

	Note	December 31, 2021	December 31, 2020
		£ 000	£ 000
Current Assets			
Non-current assets			
Property, plant and equipment	11	1,834	1,422
Right of use assets	12	1,969	1,062
Intangible assets	13	4,208	2,030
		8,011	4,514
Current assets			
Trade and other receivables	15	12,658	3,532
Cash at bank		212,660	839
		225,318	4,371
Total assets		233,329	8,885
Equity			
Share capital	16	16	—
Other reserve	16	63,314	4,117
Share premium	16	248,354	—
Accumulated deficit		(250,123)	(5,055)
Total equity		61,561	(938)
Non-current liabilities			
Lease liabilities	18	1,580	846
Provisions	19	95	88
Derivative financial liabilities	24	112,799	—
Trade and other payables	20	5,975	—
		120,449	934
Current liabilities			
Lease liabilities	18	362	175
Warrant liabilities	21	10,730	—
Trade and other payables	20	40,227	2,401
Loans from related parties	17	—	6,309
Income tax liability		—	4
		51,319	8,889
Total liabilities		171,768	9,823
Total equity and liabilities		233,329	8,885

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Vertical Aerospace Ltd

Consolidated Statement of Cash Flows for the Year Ended December 31, 2021, December 31, 2020 and December 31, 2019

	Note	2021	2020	2019
		£ 000	£ 000	£ 000
Cash flows from operating activities				
Net loss for the period		(245,224)	(12,326)	(7,484)
Adjustments to cash flows from non-cash items				
Depreciation and amortization	11,13	765	542	159
Depreciation on right of use assets	12	177	140	171
Finance (income)/costs	8	(32,498)	98	66
Related party finance costs	8	483	709	—
Share based payment transactions	7	101,608	96	—
Warrant expense	7	111,611	—	—
Net exchange differences		853	—	—
Income tax expense	10	—	4	(30)
		(62,225)	(10,737)	(7,118)
Working capital adjustments				
Increase in trade and other receivables	15	(9,126)	(2,062)	(848)
Increase in trade and other payables	20	43,801	787	683
Net cash flows used in operating activities		(27,550)	(12,012)	(7,283)
Cash flows from investing activities				
Acquisition of subsidiaries net of cash		—	—	(731)
Acquisitions of property plant and equipment	11	(790)	(155)	(1,527)
Acquisition of intangible assets	13	(2,565)	(233)	(575)
Deferred consideration payments		1	(300)	—
Net cash flows used in investing activities		(3,354)	(688)	(2,833)
Cash flows from financing activities				
Proceeds from convertible loan notes	24	166,981	—	—
Proceeds from related party borrowings	27	2,945	5,600	—
Repayment of related party borrowings	27	(737)	—	—
Payments to lease creditors	18	(240)	(220)	(130)
Proceeds from related party investment	27	3,779	—	—
Cash acquired as part of Business Combination	7	4,728	—	—
Proceeds from PIPE		67,257	—	—
Movement in net parent investment		—	7,130	11,003
Net cash flows generated from financing activities		244,713	12,510	10,873
Net increase/(decrease) in cash at bank		213,809	(190)	757
Cash at bank as at January 1		839	1,029	272
Effect of foreign exchange rate changes		(1,988)	—	—
Cash at bank as at December 31		212,660	839	1,029

Non-cash financing activities disclosed in other notes relate to the capital reorganisation. For more information see notes 2, 3 and 7. The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Vertical Aerospace Ltd

Consolidated Statement of Changes in Equity for the Year Ended December 31, 2021, December 31, 2020 and December 31, 2019

	Note	Share capital	Other reserves	Net parent investment	Accumulated deficit	Total
		£ 000	£ 000	£ 000	£ 000	£ 000
At January 1, 2019		—	—	643	—	643
Total comprehensive loss		—	—	(7,484)	—	(7,484)
Movement in net parent investment		—	—	11,003	—	11,003
At December 31, 2019		—	—	4,162	—	4,162

	Note	Share capital	Other reserves	Net parent investment	Accumulated deficit	Total
		£ 000	£ 000	£ 000	£ 000	£ 000
At January 1, 2020		—	—	4,162	—	4,162
Total comprehensive loss		—	—	(7,175)	(5,151)	(12,326)
Share based payment transactions		—	—	—	96	96
Movement in net parent investment		—	—	7,130	—	7,130
Transfer to Other reserves		—	4,117	(4,117)	—	—
At December 31, 2020		—	4,117	—	(5,055)	(938)

	Note	Share capital	Share premium	Other reserves	Accumulated deficit	Total
		£ 000	£ 000	£ 000	£ 000	£ 000
At January 1, 2021		—	—	4,117	(5,055)	(938)
Loss for the year		—	—	—	(245,224)	(245,224)
Translation differences		—	—	(85)	—	(85)
Total comprehensive loss		—	—	(85)	(245,224)	(245,309)
Share based payment transactions	23	—	—	—	156	156
Share acquisition	16	16	—	50,724	—	50,740
PIPE investment	16	—	71,036	—	—	71,036
Capital reorganization	7	—	74,265	—	—	74,265
Issuance of warrants	21	—	103,053	8,558	—	111,611
At December 31, 2021		16	248,354	63,314	(250,123)	61,561

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021

1 General information

Vertical Aerospace Ltd (the "Company", or the "Group" if together with its subsidiaries) is incorporated under the Companies Law (as amended) of the Cayman Island.

The address of its principal executive office is: Unit 1 Camwal Court, Bristol, United Kingdom.

The Company's shares are listed on the New York Stock Exchange. The Group's main operations are in the United Kingdom.

These financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

These financial statements were authorised for issue by the Board of Directors on April 28, 2022.

Principal activities

The principal activity of the Company and its wholly owned subsidiary, Vertical Aerospace Group Ltd ("VAGL"), is the development and commercialization of vertical take-off and landing electrically powered aircraft ("eVTOL"). VAGL became a subsidiary of the Company on December 15, 2021 as part of the reorganization (as described below).

Prior to December 15, 2021, the Company was a shell company with no active trade or business, and all relevant assets and liabilities, as well as income and expenses, were borne by VAGL. Therefore, the comparatives of 2020 and 2019 in these consolidated financial statements reflects the financial position and results of operations of VAGL.

2 Significant accounting policies

Presentation of these financial statements

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The capital reorganization

On December 15, 2021 the Company consummated the capital reorganization pursuant to the Business Combination Agreement dated June 10, 2021.

On the closing date the Company acquired all of the ordinary shares of VAGL, from VAGL shareholders, in consideration for the issuance of ordinary shares in the Company, by way of a share for share exchange (the "share acquisition"), such that VAGL became a wholly owned subsidiary of the Company.

At the same time Broadstone (Broadstone Acquisition Corp., a Cayman Islands exempted company), a special purpose acquisition company, merged with and into Merger Sub (Vertical Merger Sub Ltd., a Cayman Islands exempted company).

As a result of which (a) the separate corporate existence of Merger Sub ceased and Broadstone continued as the surviving company, (b) each issued and outstanding security of Broadstone was cancelled, in exchange for an equivalent security of the Company, (c) each issued and outstanding founder share was transferred to the Company, in consideration for one Company ordinary share.

Additionally, certain investors concurrently subscribed for and purchased £71,594 thousand of ordinary shares of the Company ("PIPE Financing").

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

2 Significant accounting policies (continued)

The Business Combination is accounted for as a capital reorganization in accordance with IFRS. Under this method of accounting, Broadstone is treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of the VAGL issuing shares at the closing of the Business Combination for the net assets of Broadstone as of the closing date, accompanied by a recapitalization.

The reorganization, which was not within the scope of IFRS 3 since Broadstone did not meet the definition of a business, was accounted for within the scope of IFRS 2. Accordingly, the Company recorded a one-time non-cash expense of £84,712 thousand, recognized as a share listing expense, based on the excess of the fair value of Company shares issued considering a fair value of a share, at $10.68 per share over the fair value of Broadstone's identifiable net assets (see note 7).

The Business Combination generated gross cash proceeds of approximately £218,303 thousand, including £71,594 thousand proceeds from the PIPE Financing. This also included £141,981 thousand from Convertible Senior Secured Notes, consummated simultaneously with the Business Combination.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) which are recognized at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The functional currency of the Company is US Dollars ('$' or 'USD') and the functional currency of VAGL is pounds sterling ('£' or 'GBP'). The financial statements are presented in pounds sterling ('£' or 'GBP'), which is the Group's presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity and its subsidiaries operate ("the functional currency"). Cumulative translation adjustments resulting from translating foreign functional currency financial statements into GBP are reported within other reserves. All amounts are presented in and rounded to the nearest thousand unless otherwise indicated.

Basis of consolidation

Vertical Aerospace Ltd is the parent of the Group. Details of the material subsidiaries are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2021	2020
Vertical Aerospace Group Limited ("VAGL")	Development and commercialization of eVTOL technologies.	Unit 1, Camwal Court, Bristol, United Kingdom BS2 0UW	100 %	— %

On October 31, 2021 the VAGL disposed of its 100% investment in Vertical Aerospace Engineering Limited for nominal consideration.

The consolidated financial statements incorporate the financial positions and the results of operations of the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the

subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

2 Significant accounting policies (continued)

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The rapid spread of COVID-19 caused volatility and disruption in financial markets and prompted governments and businesses to take unprecedented measures such as travel restrictions, quarantines, shelter-in-place orders, and business shutdowns. These measures resulted in the majority of the Group's workforce working from home with a small number of teams remaining onsite. We continue to take actions as may be recommended by government authorities or in the best interests of our employees.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The Group is currently in the research and development phase of its journey to commercialization of eVTOL technology. It is generating minimal revenue.

Management has prepared a cash flow model detailing the cash inflows and outflows of the Group. There are inherent risks in producing a forecast given the complexities of working in an emerging industry. For example, components needed for the development of the eVTOL prototypes may prove more costly than anticipated. As such, there can be no assurance that the timing and costs necessary to complete the development of eVTOL vehicles will prove accurate.

Several scenarios have been modelled and it is evident that future cash is required for the Group to reach the point where it is due to start generating revenues in its business plan. However, given the level of cash invested into the company and the current trajectory, management has concluded that no material uncertainties exist about the Group's ability to continue as a going concern for at least 12 months from the date of approving these financial statements.

Changes in accounting policy

The Group adopted the following standards and amendments for the first time from the annual reporting period commencing January 1, 2021:

Interest Rate Benchmark Reform – phase 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

No new accounting standards and interpretations that have been published and are not mandatory for December 31, 2022 reporting periods have been early adopted by the Group or are expected to have a material impact on the Group in current or future reporting periods.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

2 Significant accounting policies (continued)

Revenue recognition

Revenues are minimal to the Group and are generated from the performance of engineering consultancy services to customers.

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS principles are applied using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The revenue for the Group relates solely to engineering consultancy services and revenue is recognised once the Group has satisfied the performance conditions. The contracts that the Group enters into comprise payments when certain milestones are met. Revenue is recognised at each milestone event and only if the milestone is met.

Government grants

Government grants are recognised as Other operating income and are recognised in the period when the expense to which the grant relates is incurred. Grants are only recognised when there is a signed grant offer letter or equivalent from the government body and there is reasonable assurance that the Group will be able to satisfy all conditions of the grant.

The Group is the recipient of R&D tax credits in the UK. These tax credits are presented within Other operating income.

Receivables relating to government grants are presented in Trade and other receivables at their fair value.

Research and development expenses

Research expenditure is charged to profit or loss in the period in which it occurred.

Development expenditure is recognised as an intangible asset when it is probable that the project will generate future economic benefit, considering factors such as technological, commercial and regulatory feasibility. Other development expenditure is charged to profit or loss in the period in which it occurred. Refer to note 3 Critical accounting judgements and key sources of estimation uncertainty for a discussion on the judgement of this classification.

The amounts included in research and development expenses include staff costs for staff working directly on research and development projects and for expenses directly attributable to a research project, excluding software costs.

Finance income and costs

Finance income and costs includes the fair value movement on publicly traded warrants and convertible loan notes.

Finance expense includes interest payable and is recognised in profit or loss using the effective interest method.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

2 Significant accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences arising from the consolidation of subsidiaries whose functional currency differs to the presentational currency of the group are recoded within other comprehensive income.

The most important exchange rates that have been used in preparing the financial statements are:

Closing rate as at December 31, 2021: USD $1 = GBP £0.7420
Average rate for the year ending December 31, 2021: USD $1 = GBP £0.7270

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

2 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property under right of use	Straight line over term of lease
Computer equipment	3 years straight line
Leasehold improvements	5 - 9 years straight line

Intangible assets

Intangible assets are carried at cost, less accumulated amortization and impairment losses.

Computer software licences acquired for use within the Company are capitalized as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software.

Amortization

Amortization is provided on intangible assets so as to write off the cost on a straight-line basis, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortization method and rate
IT software	3 years straight line

Business combinations and goodwill

The purchase method is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values on the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets, including intangible assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is tested annually for impairment or when there are indicators of impairment.

Cash at bank

Cash at bank is held on deposit with financial institutions located within the United Kingdom and is immediately available. Management has assessed the financial institutions that hold the Company's cash at bank to be financially sound, with minimal credit risk in existence.

2 Significant accounting policies (continued)

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established using an expected credit loss model as per the Group's accounting policy for the impairment of financial assets.

Other receivables represent amounts due from parties who are not customers and are measured at amortized cost.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortized cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of the relevant borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ('the underlying asset') for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset, if throughout the period of use, the company has the right to:

Obtain substantially all the economic benefits from the use of the underlying asset, and; Direct the use of the underlying asset (for example, directing how and for what purpose the asset is used).

2 Significant accounting policies (continued)

Initial recognition and measurement

The company initially recognizes a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where reasonably certain), expected amount of residual value guarantees, termination option penalties (where reasonably certain) and variable lease payments that depend on an index or rate.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance costs in profit or loss, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

Right-of-use assets

The related right-of-use asset is accounted for using the cost model in IFRS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of Assets as disclosed in the accounting policy in impairment.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognize lease assets and lease liabilities for leases with a lease term of 12 months or less (short term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognize lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight-line bases over the term of the lease or other systematic basis. Short term and low value lease payments are included in operating expenses.

2 Significant accounting policies (continued)

Impairment (non-financial assets)

All assets are reviewed for impairment when there is an indicator of impairment. In addition, goodwill is reviewed for impairment at least annually. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Employee Benefits

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due.

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as accruals and classified as current liabilities in the balance sheet.

Share based payments – Enterprise Management Incentive and 2021 Incentive Plan

The Company operates an equity-settled, share based compensation plan, under which the entity receives services from employees as consideration for equity instruments (share options or shares). The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore, the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

2 Significant accounting policies (continued)

At the end of each reporting period, the Company revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. The Company recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

See note 23 for further details.

Other non-current share-based payments were made during the year as detailed within the significant accounting policy for the capital reorganization. Further information is included with the critical accounting judgements and key sources of estimation uncertainty.

Financial instruments

Financial instruments are contracts that give rise to a financial asset for one entity and to a financial liability or equity instrument for another entity. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.The company recognizes financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Financial assets

The Group’s financial assets include cash at bank and other financial assets. Financial assets are initially measured at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs. Trade receivables are measured at their transaction price.

For all financial assets the Group has the objective to hold financial assets in order to collect the contractual cash flows. The contractual terms of all the Group’s financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding amount. All financial assets are therefore measured at amortized cost.

Impairment of financial assets — expected credit losses (“ECL”)

All financial assets measured at amortized cost are required to be impaired at initial recognition in the amount of their expected credit loss (“ECL”), based on the difference between the contractual and expected cash flows

The simplification available for financial instruments with a low credit risk (“low credit risk exemption”) is applied as of the reporting date. Factors that can contribute to a low credit risk assessment are debtor specific rating information and related outlooks. The requirement for classification with a low credit risk is regarded to be fulfilled for counterparties that have at least an investment grade rating; in this case there is no need to monitor credit risks for financial instruments with a low credit risk.

Financial liabilities

The Group’s financial liabilities include warrants, lease liabilities, convertible loans, trade and other payables, and other financial liabilities. Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (“FVTPL”). All financial liabilities are recognized initially at fair value less, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities at FVTPL are measured at fair value and gains and losses resulting from changes in fair value are recognized in finance income/expenses. The Group only accounts for convertible loans and warrants as a financial liability at FVTPL. All other financial liabilities are subsequently measured at amortized cost.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

2 Significant accounting policies (continued)

An embedded derivative in a hybrid contract, with a financial liability or a non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The assessment whether to separate an embedded derivative is done only once at initial recognition of the hybrid contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Convertible Loans

Convertible loans are bifurcated into a debt component and a conversion right if the latter is an equity instrument. The conversion right of a convertible loan is not an equity instrument but a liability if some conversion features of the loan lead to a conversion into a variable number of shares. In this case it has to be assessed if embedded derivatives need to be separated from the host contract. If this is the case, the remaining host contract is measured at amortized cost and the separated embedded derivative is measured at fair value through profit or loss until the loan is converted into equity or becomes due for repayment. The conversion features and other repayment options provided for in the contract are identified as a combined embedded derivative if they share the same risk exposure and are interdependent.

Warrant Liabilities

Public warrants are recognized as liabilities in accordance with IFRS 9 at fair value. The liabilities are subject to re-measurement at each balance sheet date until exercised. Private warrants linked to sales targets are recognised within equity as these satisfy the “fix to fix” criterion within IAS 32.

Fair value measurements

IFRS 13 clarifies that fair value is a market price, representing the amount received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier hierarchy is established as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Other than quoted prices included in level 1, inputs that are observable for the asset or liability, either directly or indirectly, for suitability for the full term of the asset or liability.

Level 3 Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

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

The Company's most significant estimates and judgments involve valuation of the stock-based consideration, including the fair value of common stock and market-based restricted stock units, the valuations of warrant liabilities, derivative liabilities including convertible loan notes, and the valuation of call options.

These estimates are based on historical data and experience, as well as various other factors that management believes to be 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. Such estimates often require the selection of appropriate valuation methodologies and models and may involve significant judgment in evaluating ranges of assumptions and financial inputs. Actual results may differ from those estimates under different assumptions, financial inputs, or circumstances.

Share acquisition – business combination under common control

There is currently no guidance in IFRS on the accounting treatment for combinations among entities under common control. IAS 8 requires management, if there is no specifically applicable standard or interpretation, to develop a policy that is relevant to the decision-making needs of users and that is reliable. The entity first considers requirements and guidance in other international standards and interpretations dealing with similar issues, and then the content of the IASB's Conceptual Framework for Financial Reporting (Conceptual Framework).

Management has made a judgement and applied a method broadly described as predecessor accounting. The principles of predecessor accounting are:

- Assets and liabilities of the acquired entity are stated at predecessor carrying values. Fair value measurement is not required.
- No new goodwill arises in predecessor accounting.
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity.

The share acquisition of all of the ordinary shares of VAGL has been considered as a business combination under common control for the purpose of preparation of these consolidated financial statements and resulted in VAGL's operations and all of its net assets being recognized by the Company at their historical net book values. However, these consolidated financial statements may not reflect the presentation of equity movements of VAGL for the period prior to the share acquisition.I

Share-based Payments

Judgments were made in determining the valuation of shares prior to the business combination, including in relation to the issuance of Z-Shares to American Airlines ("American") on June 10, 2021, using the following methods:

For periods prior to the business combination, a probability-weighted model using option pricing methods (Black-Scholes) has been used.

For valuations as at, or after December 16, 2021 the market value of the publicly traded share has been used.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The issuance of Class Z-Shares to American

The issuance of Class Z-Shares to American was concluded to be a stand-alone transaction. The transaction ensured that American had an equity interest in VAGL in the event that the business combination did not complete and provided an incentive for American to invest in the PIPE. As a transaction in the Company's own stock this would generally be within scope of IAS 32, however the compensatory nature of the transaction required consideration of other IFRS guidance, specifically IFRS 2.

The valuation of the class Z-Shares took considered the following substantive terms and features:

- Transfer restrictions and discount for lack of marketability
- Economic rights and entitlements
- Potential right to exchange into 6,125,000 Company ordinary shares upon closing of merger

Two probability weighted scenarios were considered: a) the Z-Shares convert into to 6,125,000 shares in the Company, subject to lock up and call option, or b) they remain shares of VAGL if the business combination did not complete.

An expense of £16,739 thousand was recognised on June 10, 2021 based on the total fair value of the class Z-Shares issued to American over the total consideration received (£nil). See note 7 for further detail.

The Company was granted a call option over 50% of the Company shares that the Z-Share converted into at an exercise price of $18 per share and a maximum term to exercise of four years. The fair value of this option reflected in arriving at the aforementioned probability weighted valuation of the Z-Shares issued.

Convertible Loans and Embedded Derivatives

The initial fair value of the convertible loans (before bifurcation of the embedded derivatives) as well as the subsequent measurement of the embedded derivatives is calculated using a binomial lattice valuation model and many of the input parameters are not observable. This valuation is judgmental. For detailed information on the convertible loans and its embedded derivatives, a description of the valuation model and the input parameters, see note 24.

Warrants

Public warrants relate to those warrants that commenced trading on the NYSE on December 16, 2021. Prior to that date, there was no public trading market for Company ordinary shares or warrants.

Private warrants include those issued upon consummation of the business combination to American, members of the Avolon Group ("Avolon"), Virgin, and Mudrick Capital Management L.P ("Mudrick"). Private options were issued to Marcus Waley-Cohen ("MWC").

The fair value of the Private Warrants is deemed to be equal to the fair value of the Public Warrants except where the terms of Private Warrants materially differ to Public Warrants. Differences exist, with regards to certain warrant, in the maximum term to exercise as well as the strike price.

An option pricing model (Black-Scholes Model) therefore been used to derive the fair value of Private Warrants. This valuation is judgmental. For detailed information on the warrants, a description of the valuation model and the input parameters, see note 21.

On December 16, 2021 Private Warrants were issued to Avolon, American and Virgin Atlantic Limited ("Virgin"). Warrants issued to Avolon and American were exercised immediately after issuance.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The warrants meet the fixed-for-fixed criterion and are therefore recognised within other reserves until the point of exercise. The amount classified to other reserves on initial recognition reclassified to share capital and share premium upon exercise.

Private Warrants and Options issued to Mudrick and MWC, along Public Warrants, are accounted for as liabilities in accordance with IAS 32, subject to ongoing mark-to-market adjustments. For more information see note 21.

Capitalization of development costs

The business incurs a significant amount of research and development cost. The point in time at which the business begins capitalization of any project is a critical accounting judgement. The business assesses the technology readiness level of its research and development projects, along with the commercialization potential and guidance from the accounting standards to assess whether a particular development project should be capitalized or not.

Costs for internally generated research and development are capitalized only if:

- the product or process is technically feasible;
- adequate resources are available to successfully complete the development;
- the benefits from the assets are demonstrated;
- the costs attributable to the projects are reliably measured;
- the Group intends to produce and market or use the developed product or process and can demonstrate its market relevance.

Management has concluded that in 2021 and 2020, none of the projects met the requirements for capitalization. While Management recognises a market for the use of eVTOLs, the market is not yet established or proven. Additionally, the Group is developing new technologies and there are still uncertainties about the successful completion of this development.

If costs relating to a research and development project are not capitalized, they are expensed as incurred and presented in Research and Development expenses in profit or loss (Note 7).

4 Operating segments

The Group operates as a single operating segment and one reporting segment, being the development and commercialization of eVTOL technology. An operating segment is defined as a component of an entity for which discrete financial information is available and whose results of operations are regularly reviewed by the chief operating decision maker. The Chief Operating Decision Maker, being the Board of Directors, reviews all financial information as a single segment.

5 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020	2019
	£ 000	£ 000	£ 000
Rendering of engineering consultancy services	132	87	70

All revenue is generated within the UK, based on the location where the engineering consultancy are delivered.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

6 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2021	2020	2019
	£ 000	£ 000	£ 000
Government grants	8,829	1,989	—
R&D tax credit	2,388	328	399
Other	135	—	—
	11,352	2,317	399

Government grants

Government grants relate to amounts receivable from the Aerospace Technology Institute (ATI) relating to the research and development of eVTOL technologies. The grant is made to fund research and development expenditure and is recognised in profit or loss in the period to which the expense it is intended to fund relates.

R&D tax credit scheme

The R&D tax credit relates to the UK's research and development expenditure credit scheme.

7 Expenses by nature

Included within administrative expenses and research and development expenses are the following expenses.

	2021	2020	2019
	£ 000	£ 000	£ 000
Staff costs excluding share-based payment expenses	16,230	8,445	3,642
Share based payment expenses	111,996	96	—
Warrant expense (note 21)	111,611	—	—
Legal and financial advisory transaction costs	7,350	—	—
Software costs	1,506	579	191
Depreciation expense	377	279	89
Depreciation on right of use assets - Property	176	140	171
Amortisation expense	387	263	70
Consultancy costs	13,144	745	518
Expense on short term leases	49	64	8
Research and development components	11,378	2,555	2,096
Related party administrative expenses	108	144	144
Marketing expenses	3,918	—	—
Stamp duty	6,669	—	—
Other administrative expenses	3,760	565	922
Total administrative and research and development expenses	288,659	13,875	7,851

Staff costs excluding share-based payment expenses relates primarily to salary and salary related expenses, including social security and pension contributions.

Research and development components, combined with £12,913 thousand of staff costs related to research and development activity, represent the amount spent on hardware and testing for building eVTOL prototypes totalling £24,291 thousand.

Legal and financial advisory expenses relate primary to the Business Combination transaction.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

7 Expenses by nature (continued)

Share based payment expense includes the following:

	2021
	£ 000
Issuance of Z-Shares to American	16,739
Capital reorganization	84,712
Issuance of PIPE shares to suppliers and partners	10,389
Enterprise Management Initiative	156
	111,996

Issuance of Z-Shares to American

On June 10, 2021, VAGL and American executed a subscription agreement by which American subscribed for 5,804 class Z-Shares of VAGL for total consideration of £0.06.

Z-Shares refer to Z ordinary shares of £0.00001 par value that did not carry the right to receive distributions.

If the Business Combination did not complete American would have retained 5,804 Z-Shares, carrying dividends and voting rights. The value of the shares can be used by reference to the pre-money valuation of the Company; adjusted for the actual share price as at June 10, 2021 ($9.93); reflecting the American shareholding percentage (3.96%); and a discount for lack of marketability.

Upon closing of the Business Combination, American exchanged 100% of its class Z-Shares for 6,125,000 common shares of the Company, subject to a four-year lock-up.

50% of the common shares held by American are subject to a call option exercisable by the Company at a $18 per share exercise price; exercisable in two tranches until June 2025.

The value of these shares was derived as at June 10, 2021 using a Black-Scholes Model and based upon actual share price ($9.93). The following inputs were used:

Risk-free rate	0.75 %
Dividend yield	—
Volatility	75 %

The lock up agreement was considered part of the same contract for the subscription of Z-Shares, with a discount for lack of marketability applied, and the call option considered.

	Business combination completes	Business combination does not complete
	£'000	£'000
Value of Z-Shares as at June 10, 2021	30,105	2,558
Less valuation of call option	(8,121)	—
Fair value of Z-Shares as at June 10, 2021	21,984	2,558

A probability weighted calculation as at June 10, 2021 concluded that Business Combination was likely to be completed, giving a probability weighted valuation of £16,739 thousand, recognised as an expense and within share premium of VAGL.

A valuation of £19,616 thousand would have been derived had the Black-Scholes Model used a volatility assumption of 50%, with reasonable changes in all other inputs having an immaterial impact.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

7 Expenses by nature (continued)

Capital reorganization

The difference in the fair value of the shares issued by the Company over the value of the net monetary assets of the Broadstone represented a listing service, and the cost of the listing service was recognized as an expense upon consummation of the Business Combination Agreement.

	2021
	£'000
Market value of 9,203,984 ordinary shares ($10.68 per share)	74,265
Cash acquired	4,728
Warrants acquired (15,701,067 warrants at $1.04 per warrant)	(11,997)
Accounts payable acquired	(2,289)
Add net liabilities acquired	(9,558)
Foreign exchange differences	671
Charge for listing services	83,152

An additional £1,572 thousand was recognised in relation to the issuance of private options to MWC, giving a total charge of £84,712 thousand.

Issuance of PIPE shares to suppliers and partners

Upon consummation of the Business Combination the Company recognised an expense £10,389 thousand in relation to the issuance of PIPE shares to certain suppliers and partners for net proceeds below market value.

8 Finance income/(costs)

	2021	2020	2019
	£ 000	£ 000	£ 000
Interest on loans from related parties	(483)	(709)	—
Bad debt write-off	(14)	—	(15)
Fair value losses	—	(18)	—
Interest expense on leases	(77)	(74)	(46)
Other	(1)	(6)	(5)
Total finance costs	(575)	(807)	(66)
Fair value gains	32,578	—	—
Other	12	—	—
Total finance income	32,590	—	—
Total finance income/(costs)	32,015	(807)	(66)

Interest on loans from related parties represents the interest charged by Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick.

Fair value movements include a fair value gain on public and private warrants in issue of £6,817 thousand (note 21) in addition to a fair value gain on the Convertible Senior Secured Notes of £26,876 thousand (note 25).

Other finance costs include discount unwind on provisions for dilapidations.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

9 Loss per share

Basic earnings per share, in this case a loss per share, is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding. During the year the number of ordinary or potential ordinary shares outstanding increased because of a share issue. Therefore, the calculation of basic and diluted earnings per share for all periods presented has been adjusted retrospectively.

Because a net loss for all period presented has been reported, diluted loss per share is the same as basic loss per share. Therefore, all potentially dilutive common stock equivalents are anti-dilutive and have been excluded from the calculation of net loss per share.

The calculation of loss per share is based on the following data:

	2021	2020	2019
	£ 000	£ 000	£ 000
Net loss for the period	(245,224)	(12,326)	(7,484)
	£	£	£
Basic and diluted loss per share	(1.98)	(0.12)	(0.07)
	No. of shares	**No. of shares**	**No. of shares**
Weighted average issued shares	124,130,921	99,904,427	99,904,427

10 Taxation

Tax credited /(charged) in profit or loss

	2021	2020	2019
	£ 000	£ 000	£ 000
Current taxation			
UK corporation tax	—	(4)	30

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021	2020	2019
	£ 000	£ 000	£ 000
Loss before tax	(245,224)	(12,322)	(7,514)
Corporation tax benefit at standard rate	46,593	2,341	1,428
Decrease in tax benefit from effect of expenses not deductible in determining taxable profit/(loss)	(92)	(135)	—
Decrease in tax benefit from tax losses for which no deferred tax asset was recognised	(46,501)	(841)	—
Decrease in tax benefit arising from group relief tax reconciliation	—	(1,369)	(1,428)
Deferred tax credit from unrecognised temporary difference from a prior period	—	—	30
Total tax benefit/(expense)	—	(4)	30

The main rate of UK corporation tax for the years to December 31, 2020 and December 31, 2021 was 19%.

At the March Budget 2021, the UK government announced that the Corporation Tax main rate (for all profits except ring fence profits and profits under £50 thousand) for the years starting April 1, 2023 be 25%.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

10 Taxation (continued)

No deferred tax assets or liabilities have been recognised as the Group has a surplus of UK tax losses which offset in the same jurisdiction as any deferred tax liabilities. A deferred tax asset for the surplus tax losses has not been recognised as the Group has not yet been profitable and therefore there is uncertainty over the availability of future taxable profits against which to utilise the tax losses.

Unused potential tax losses for which no deferred tax asset has been recognised as at December 31, 2021 were estimated as £250,500 thousand (2020: £4,641 thousand).

11 Property, plant and equipment

	Leasehold improvements	Office equipment	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,350	304	1,654
Additions	18	137	155
December 31, 2020	1,368	441	1,809
Additions	162	628	790
December 31, 2021	1,530	1,069	2,599
Depreciation			
At January 1, 2020	32	76	108
Charge for year	174	105	279
At December 31, 2020	206	181	387
Charge for the year	168	210	378
At December 31, 2021	374	391	765
Net book value			
At December 31, 2021	1,156	678	1,834
At December 31, 2020	1,162	260	1,422

Leasehold improvements represent improvements to leased property in Bristol, UK.

All property, plant and equipment is attributable to the UK.

12 Right of use assets

	Leasehold Property
	£ 000
Cost or valuation	
At January 1, 2020 and 31 December 2020	1,445
Additions	1,084
At December 31, 2021	2,529
Depreciation	
At January 1, 2020	243
Charge for year	140
At December 31, 2020	383
Charge for the year	177
At December 31, 2021	560
Net book value	
At December 31, 2021	1,969
At December 31, 2020	1,062

The right of use assets are leasehold properties at Camwal Court, Bristol, UK and at Cotswold Airport, Kemble, UK. Further information on the lease liability of this lease can be found in Note 18 Leases.

13 Intangible assets

	Goodwill	IT software	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,473	682	2,155
Additions	—	233	233
At December 31, 2020	1,473	915	2,388
Additions	—	2,565	2,565
At December 31, 2021	1,473	3,480	4,953
Amortisation			
At January 1, 2020	—	95	95
Amortisation charge	—	263	263
At December 31, 2020	—	358	358
Amortisation charge	—	387	387
At December 31, 2021	—	745	745
Net book value			
At December 31, 2021	1,473	2,735	4,208
At December 31, 2020	1,473	557	2,030

The amortisation charge of £387 thousand (2020: 263 thousand) is shown in Administrative expenses.

All intangible assets are attributable to the UK.

IT software is third party software licences which includes perpetual licences and implementation costs.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

13 Intangible assets (continued)

The carrying amounts of the software was reviewed at the reporting date and management determined that there were no indicators of impairment.

The goodwill was recognised on the acquisition of Vertical Advanced Engineering Ltd in July 2019 and related to the Formula 1 approach to the use materials and technologies. The individuals with the specific skill set in relation to this since became embedded within VAGL, along with their respective ways of working.

Management views the business as one cash generating unit ('CGU') being the commercialization and development of eVTOL technologies. Management have performed a valuation exercise as part of the capital reorganization and has calculated the fair value of the business, less cost to sell, which has demonstrated that there is no indication of impairment.

14 Business disposal

On October 31, 2021, the Group disposed of 100% of the share capital of Vertical Advanced Engineering Ltd for nominal consideration. The net assets of Vertical Advanced Engineering Ltd were £102 thousand as at this date.

15 Trade and other receivables

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Government receivables	5,415	1,989
Prepayments	6,571	733
Other receivables	672	810
	12,658	3,532

Included within Government receivables is £2,716 thousand for the R&D tax credit receivable (2020: £328 thousand) and £2,595 thousand for VAT receivable (2020: £6 thousand). Prepayments includes £3,805 thousand in relation to insurances (2020: £nil).

The fair value of trade and other receivables classified as financial instruments are disclosed in note 25 Financial instruments. Expected credit losses were not significant in 2021 or 2020.

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 26 Financial risk management and impairment of financial assets.

16 Share capital and other reserves

Allotted, called up and fully paid shares

	December 31, 2021		December 31, 2020	
	No.	£	No.	£
A ordinary of £0.00001 each	—	—	100,000	1.00
B ordinary of £0.00001 each	—	—	4,832	0.05
Ordinary of $0.0001 each	209,135,382	15,804	—	—
	209,135,382	15,804	104,832	1.05

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

16 Share capital and other reserves (continued)

As part of the Business Combination 100% of VAGL shares (146,749) were acquired by the Company in exchange for the payment, issue and delivery of 177,762,797 Company shares to VAGL shareholders. This included the Z-Shares issued to American on June 10, 2021. At the time there was no IFRS guidance on the accounting treatment for combinations among entities under common control. This transaction has been recorded at the nominal value of shares issued, with the excess premium paid recorded within other reserves.

Of the 177,762,797 company shares issued in exchange to VAGL shareholders, 35,000,000 company shares held by VAGL shareholders are subject to an earn-out mechanism (the "Earn Out Shares") that would be released from restriction upon fulfilment of certain share price milestones being satisfied prior to the fifth-year anniversary of the consummation of the Business Combination Agreement.

Failure to achieve such milestones will result in forfeiture of the Earn Out Shares. The Company has determined that the fair value of the Earn Out Shares should be accounted for as a component of the deemed cost of the listing services upon consummation of the Business Combination, as disclosed within Note 7 in the section entitled "Capital reorganization".

The Company also determined that no separate accounting recognition was necessary in respect of the Earn Out Shares as the fair value of the Earn Out Shares will be inherently reflected within the quoted price of Broadstone's shares, in respect of the Earn Out Shares' potential dilutive impact, used in valuing the consideration given to Broadstone's shareholders to derive the deemed cost of the listing services.

A total of 9,400,000 ordinary shares were also issued to PIPE investors upon consummation of the business transaction with 9,203,984 public and sponsor shares issued and outstanding. A total of 12,768,600 warrants issued to American and Avolon were exercised immediately following consummation of the business transaction. In addition, 90,449,562 shares had been authorised for allotment at December 31, 2021.

Ordinary shares have full voting rights, full dividend rights. A ordinary shares had full voting rights, full dividend rights. B ordinary shares had no voting or dividend rights and have rights to capital distribution on liquidation on par with A ordinary shares. Options have been granted to employees to be able to acquire B shares. Refer to note 23 Share-based payments.

Share premium and other reserves

Movements in reserves are shown below

	Share Premium	Other Reserves
	£000	£000
As at January 1	—	4,117
Issuance of Z-Shares to American (note 7)	—	16,739
Debt to equity conversion of related party loan (note 27)	—	9,000
Debt to equity conversion of Microsoft and Rocket loan	—	25,000
Transfer of intergroup share capital	—	(15)
Share acquisition	—	50,724
Cumulative translation differences	—	(85)
Issuance of warrants to American, Avolon and Virgin (note 21)	103,053	8,558
Capital reorganization (note 7)	74,265	—
PIPE investment	71,036	—
As at December 31	248,354	63,314

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

16 Share capital and other reserves (continued)

Share premium

The difference in the fair value of the shares issued by the Company over the value of the net monetary assets of the Broadstone gives rise to share premium upon consummation of the Business Combination Agreement.

In addition, upon consummation of the Business Combination 9,400,000 ordinary shares at $0.0001 par value were issued to PIPE investors at $10 per share giving rise to share premium of £71,036 thousand.

See note 7 for further details

As at December 31, 2021 warrants issued to American and Avolon were issued and exercised. The excess of the fair value of these warrants over the par value of the shares issued is recognised in share premium. See note 21 for more details.

Other reserves

American held 5,804 Z-Shares in VAGL immediately prior to the Business Combination. As part of the consideration for the acquisition of VAGL, American exchanged its existing shareholding in VAGL for 6,125,000 Ordinary Shares in the Company. See note 7 for more details.

Upon consummation of the Business Combination, convertible loans issued to Microsoft and Rocket (totalling £25,000 thousand) and Stephen Fitzpatrick (£9,000 thousand) were converted into equity.

As at December 31, 2021 warrants issued to Virgin were issued but not exercised. The fair value of these warrants is reflected within other reserves as they satisfy the “fix to fix” criterion as per IAS 32. See note 21 for more details.

17 Loans from related parties

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Current loans and borrowings		
Loans from related parties	—	6,309

Loans from related parties represents a loan from Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick. Movements in the year were as follows:

	2021	2020
	£ 000	£ 000
As at January 1	6,309	—
Amounts advanced	2,945	5,600
Interest charged	483	709
Amounts repaid	(737)	—
Conversion to equity	(9,000)	—
As at December 31	—	6,309

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

17 Loans from related parties (continued)

The loan attracted an interest rate of 30% per annum (2020: 30%) and was repayable on demand.

During the year loans was issued to Microsoft Corporation and Rocket Internet SE. Movements in the year were as follows:

	2021 £ 000
As at January 1	—
Amounts advanced	25,000
Interest charged	—
Amounts repaid	—
Conversion to equity	(25,000)
As at December 31	—

The loans and borrowings classified as financial instruments are disclosed in note 25 Financial instruments.

The Company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in note 26 Financial risk management and impairment of financial assets.

18 Leases

The balance sheet shows the following amounts relating to lease liabilities:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Long term lease liabilities	1,580	846
Current lease liabilities	362	175
	1,942	1,021

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Less than one year	425	175
Within 2 - 5 years	1,653	700
More than 5 years	262	397
Total lease liabilities (undiscounted)	2,340	1,272

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

18 Leases (continued)

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	December 31, 2021	December 31, 2020
	£ 000	£ 000
Right of use assets	240	220
Low value leases	—	—
Short term leases	49	64
Total cash outflow	289	284

A reconciliation of the lease creditors is shown below:

	£000
As at January 1, 2020	1,166
Interest element of payments to finance lease creditors	(74)
Principal element of payments to finance lease creditors	(146)
Interest expense on leases	74
As at December 31, 2020	1,021
Additions	1,084
Interest element of payments to finance lease creditors	(78)
Principal element of payments to finance lease creditors	(162)
Interest expense on leases	77
As at December 31, 2021	1,942

Lease creditors relate to a property in Bristol, UK. In addition, during 2021, the Company entered into a 5-year lease agreement for a property in Kemble, UK. The cost, depreciation charge and carrying value for the right-of-use asset is disclosed in note 12 Right of use assets. The interest expense on lease liabilities is disclosed in note 8 Finance costs.

19 Provisions

	Dilapidations
	£ 000
As at January 1, 2020	83
Unwinding of discount	5
As at December 31, 2020	88
Unwinding of discount	7
As at December 31, 2021	95

The dilapidation provision was recognized as a result of the obligation to return the leased property in Bristol, UK to its original condition at the end of the lease which currently expires in 2028. The provision is recognized at amortized cost with discount unwind being recognized each year. The provision is expected to be utilized at the end of the lease period.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

20 Trade and other payables

Amounts falling due within one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Trade payables	6,715	846
Accrued expenses	26,358	1,226
Amounts due to related parties	—	56
Social security and other taxes	7,145	203
Outstanding defined contribution pension costs	9	70
	40,227	2,401

Accrued expenses includes £9,666 thousand indirectly attributable financial and capital markets advisory fees.

Social security and other taxes includes Stamp Duty payable of £6,669 thousand.

Amounts falling due after more than one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Deferred transaction fee payable	5,975	—

Due to the Business Combination transaction, the Group has deferred transaction fees payable at December 31, 2021.

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 26 Financial risk management and impairment of financial assets.

21 Warrants

Warrants and options issued to Mudrick and MWC

As at December 16, 2021 and December 31, 2021 the following warrants were issued but not exercised:

	Number
Public Warrants	15,265,146
Mudrick Warrants	4,000,000
MWC Options	2,000,000
	21,265,146

Recorded as a liability, the following shows the change in fair value during the year ended December 31, 2021:

	£ 000
January 1, 2021	—
Additions	17,801
Change in fair value recognised in profit or loss	(6,817)
Foreign exchange movements	(254)
December 31, 2021	10,730

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

21 Warrants (continued)

Public warrants may only be exercised for a whole number of shares. The public warrants will expire five years from the consummation of the Business Combination or earlier upon redemption or liquidation.

Once the public warrants become exercisable, the Company may redeem the public warrants for redemption at a price of $0.01 per public warrant if the closing price of the common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period.

Each public warrant entitles the registered holder to purchase one share of common stock at a price of $11.50 per share. The exercise price and number of common stock issuable upon exercise of the public warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger, or consolidation. The public warrants will not be adjusted for issuances of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the public warrants.

Warrants issued to Virgin, American and Avolon

On October 29, 2021, the Company entered into the Virgin Atlantic Warrant Instrument, which provides for a warrant over 2,625,000 Ordinary Shares issued immediately after the Share Acquisition Closing. As at December 31, 2021, these warrants remained outstanding and were valued at £8,558 thousand, within other reserves, using a Black-Scholes Model with the following inputs:

	December 31, 2021
Spot	$ 10.68
Strike	$ 10.00
Risk-free rate (%)	0.05
Dividend yield	—
Maximum term to exercise	4
Volatility (%)	50

Had 75% been used as an alternative yet feasible volatility input then a valuation of £11,907 thousand would have been derived as the entry to other reserves. Adjustments to the other inputs would have not derived a materially different valuation.

Immediately after the Share Acquisition Closing, the Company entered into the American Warrant Instrument, which provides for a warrant over 2,625,000 Ordinary Shares that were both issued and exercised immediately after the Share Acquisition Closing.

Immediately after the Share Acquisition Closing, the Company entered into the Avolon Warrant Instrument, which provides for warrants over 6,378,600 Ordinary Shares that were both issued and exercised immediately after the Share Acquisition Closing.

Avolon were also issued with, and exercised, 3,765,000 commercial warrants by the Company as a result of Avolon entering into a firm commitment to place 100 aircraft with a prime carrier.

A contract asset has not been recognised as the customer has the ability to terminate the contract without penalty and the aircraft subject to the purchase order has not yet been certified, therefore an expense has been recognised as shown below:

	£ 000
American (2,625,000 warrants)	21,186
Avolon (6,378,600 warrants)	51,481

Avolon commercial (3,765,000 warrants)	30,386
Virgin (2,625,000 warrants)	8,558
	111,611

22 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £471 thousand (2020: £271 thousand).

Contributions totalling £9 thousand (2020: £70 thousand) were payable to the scheme at the end of the year and are included in trade and other payables.

23 Share-based payments

Scheme details and movements

On September 11, 2020, the VAGL implemented an Enterprise Management Incentive ("EMI") scheme. An EMI scheme is a tax advantaged share scheme that can be operated by qualifying companies. The scheme comprised options over B ordinary shares which are exercisable over a set period, dependent upon when the employee joined the scheme.

This scheme remained in existence as at December 31, 2021 and therefore the number and fair value of options presented in note 23 relate solely to this scheme.

Subsequent to the year ended December 31, 2021 the scheme was modified. This modification reflects the revised capital structure of the Company following completion of the Business Combination transaction. As part of this modification, all option holders exchanged their options held in VAGL for newly issued options in the Company.

Also subsequent to the year ended December 31, 2021, the Board of Directors adopted the 2021 Incentive Award Plan in order to facilitate the grant of cash and equity incentives, which is essential to our long-term success.

The impact of the modification of the EMI scheme and the adoption of the 2021 Inventive Aware Plan is not reflected in these financial statements as both of these events occurred subsequent to the year ended December 31, 2021.

During the year ended December 31, 2021 a total of 2,000,000 private options were awarded to Marcus Waley-Cohen. For more details see note 21 and note 27.

The movements in the number of EMI share options during the year were as follows:

	December 31, 2021	December 31, 2020
	Number	Number
Outstanding, start of period	16,817	—
Granted during the period	3,147	16,817
Forfeited during the period	(294)	—
Outstanding, end of period	19,670	16,817

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

23 Share-based payments (continued)

The EMI share options granted were all granted prior to March 31, 2021, after which no new grants were made.

The movements in the weighted average exercise price of share options during the year were as follows:

	December 31, 2021	December 31, 2020
	£	£
Outstanding, start of period	143.28	—
Granted during the period	1,178.94	143.28
Forfeited during the period	204.00	—
Outstanding, end of period	308.06	143.28

The exercise price of share options granted during the year is based upon the valuation of VAGL in contemplation of the Business Combination and the number of VAGL shares issued and outstanding at the time of grant.

Outstanding share options

Details of share options outstanding at the end of the year are as follows:

	31 December 2021	31 December 2020
Weighted average exercise price (£)	308.06	143.28
Number of share options outstanding	19,670	16,817
Expected weighted average remaining vesting period (years)	1.12	1.13

The number of options which were exercisable at December 31, 2021 was 7,715 (2020: 7,635) with exercise prices ranging from £38.22 to £1,298.49.

The range in exercise price reflects the valuation of VAGL as at the date when the respective options were granted.

Fair value of options granted

The weighted average fair value per option of options granted during the period at measurement date was £31.97 (2020: £6.70).

The option pricing model used was Black Scholes and the main inputs are set out in the table below. The date of grant of the options was between September 11, 2020 and March 12, 2021.

	December 31, 2021	December 31, 2020
Average share price at date of grant (£)	492.42	40.36
Expected volatility (%)	50.00	50.00
Vesting period in years	4	1
Dividends	—	—
Option life in years	4.25	4.00
Risk-free interest rate (%)	0.28	(0.13)

The change in vesting period from December 31, 2020 to December 31, 2021 reflects the terms of the newly granted EMI share options during 2021.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

23 Share-based payments (continued)

Volatility

Given the lack of share price history and volatility, the volatility has been estimated with reference to other industry competitors, on a listed stock market, with a premium attached for the uncertainty around an unlisted investment.

Share based payments charge

During the year, a charge of £156 thousand was recognised for equity settled share-based payment transactions (2020: £96 thousand). Refer to note 7 Expenses by nature.

24 Derivative financial liabilities

Convertible Senior Secured Notes consists of the following:

	Mudrick £ 000
As at January 1, 2020	—
As at December 31, 2020	—
Issuance of Convertible Senior Secured Notes	141,981
Fair value movements	(26,876)
Foreign exchange movements	(2,306)
As at December 31, 2021	112,799

During the year ended December 31, 2021 additional convertible loan notes were issued to Microsoft Corporation and Rocket Internet, giving rise to proceeds of £25,000 thousand. These loans were converted into equity during the year. See note 17, Loans from related parties for more information.

Concurrently with the consummation of the Business Combination, Mudrick purchased Convertible Senior Secured Notes of and from the Company in an aggregate principal amount of £151,000 thousand ($200,000 thousand) for an aggregate purchase price of £145,000 thousand ($192,000 thousand) (the “Purchase Price”).

The Convertible Senior Secured Notes are initially convertible into up to 18,181,820 ordinary shares at an initial conversion rate of 90.9091 ordinary shares per £756 ($1,000) principal amount of Convertible Senior Secured Notes.

Upon the occurrence of a Fundamental Change, Mudrick has the right, at its option, to require us to repurchase for cash all or any portion of its Convertible Senior Secured Notes in principal amounts of £756 ($1,000), at a fundamental change repurchase price equal to the principal amount of the Convertible Senior Secured Notes to be repurchased plus, if repurchased before the second anniversary of issuance, certain make-whole premiums, plus accrued and unpaid interest.

A fundamental change consists of a change in beneficial owner of the Company; the sale of all or substantially all of the assets or share capital of the Company; dissolution or liquidation of the Company; or NYSE de-listing.

The Convertible Senior Secured Notes will bear interest at the rate of 7% per annum if the Company elects to pay interest in cash or 9% per annum if the Company elects to pay interest in-kind, by way of PIK Notes. Interest will be paid semi-annually in arrears. Upon the occurrence of an event of default, an additional 2.00% will be added to the stated interest rate. The Convertible Senior Secured Notes will mature on the fifth anniversary of issuance and will be redeemable at any time by the Company, in whole but not in part, for cash, at par plus, if redeemed before the second anniversary of issuance, certain make-whole premiums.

24 Derivative financial liabilities (continued)

A number of covenants exist in relation to the Company's obligations with regard to payment of notes and interest; furnishing the trustee with exchange act reports; compliance with Section 13 or 15(d) of the Exchange Act; provision of an annual compliance certificate; relinquishing of the benefit or advantage of, any stay, extension or usury law; acquisition of notes by the Company; permitting any Company subsidiaries to become liable for the notes; limitation on liens securing indebtedness; limitation on asset sales; limitation on transactions with affiliates; limitation on restricted payments; retention of $10 million cash; guarantors; and material IP. No breaches have been identified during the year.

Accordingly, cash at bank includes £7,420 thousand deemed to be restricted as at December 31, 2021.

In accordance with IFRS 9, this is treated as a hybrid instrument and is designated it in entirety as fair value through profit or loss. Therefore, upon initial recognition the Company has not separated the convertible note into a host liability component (accounted for at amortized cost) and the derivative liability components (accounted for at fair value through profit or loss). The valuation methods and assumptions are shown in note 25.

25 Financial instruments

Financial assets at amortized cost

	Carrying value		Fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash at bank	212,660	839	212,660	839
Trade and other receivables	672	810	672	810
	213,332	1,649	213,332	1,649

The fair value of financial assets is based on the expectation of recovery of balances. All balances are expected to be received in full.

Financial liabilities at amortized cost:

	Carrying Value		Fair Value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	£ 000	£ 000	£ 000	£ 000
Trade and other payables	45,717	2,128	45,717	2,128
Borrowings	—	6,309	—	6,309
Lease liabilities	1,942	1,021	1,942	1,021
	47,659	9,458	47,659	9,458

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

25 Financial instruments (continued)

Financial liabilities at fair value through profit or loss:

	Carrying Value		Fair Value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	£ 000	£ 000	£ 000	£ 000
Convertible Senior Secured Notes	112,799	—	112,799	—
Warrant liabilities (Note 21)	10,730	—	10,730	—
	123,529	—	123,529	—

Warrants are traded in an active market and are therefore categorized in level 1 of the fair value hierarchy (see note 21). Convertible Senior Secured Notes (both host contract and embedded derivative) are categorized in level 3 of the fair value hierarchy (see note 24).

Valuation methods and assumptions

Financial liabilities at amortized cost

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material. Due to their short maturities, the fair value of the trade and other payables approximates to their book value.

The total interest expense for financial liabilities not held at fair value through profit or loss is £747 thousand (2020: £801 thousand).

Financial liabilities at fair value through profit or loss

The fair value of the convertible senior secured notes has been estimated using a binomial lattice framework in consideration of the American-option style nature of the embedded features. Company specific inputs include the expected probability and timing of future equity financing, in addition to the probability and timing of a future fundamental change. The following observable inputs have been used:

	December 31, 2021
Interest rate (%)	9.0
Risk-free rate (%)	1.25
Dividend yield	—
Volatility (%)	52.5
Credit spread (%)	21.8

As of December 16, 2021 an estimated fair value of £141,981 thousand was calculated as the issuance price of the convertible note and warrants (4% Original Issue Discount from £151,000 thousand face value). Specifically, management performed a calibration analysis, back solved for the implied credit spread such that the fair value of the convertible notes and warrants would reconcile with the £145,000 thousand issuance price as of December 16, 2021 along with other inputs such as the estimated volatility, term, dividend and risk-free rate. The implied credit spread, and the fair value of the convertible note were estimated to be 2,179 basis points and approximately £141,981 thousand, respectively, through this calibration process.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

25 Financial instruments (continued)

As of December 31, 2021 an estimated a fair value of £112,799 thousand was calculated for the convertible note based on the following valuation inputs:

- Stock price: $6.73 based on the stock price observed for as at December 31, 2021
- Risk free rate: 1.25% based on the US Treasury Yield interpolated to match the term input
- Volatility: 52.50% based on the estimated equity volatility as adjusted via a volatility haircut process
- Credit spread: 2,179 bps based on the estimated implied credit spread estimated
- Dividend yield: 0% based on management's expectation

Had the stock price traded higher, or a higher volatility been assumed then this would have resulted in a higher fair value being attributed to the instrument.

26 Financial risk management and impairment of financial assets

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Credit risk and impairment

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from prepayments to suppliers and distributors and deposits with the Group's bank.

Included in cash at bank is £10,388 thousand which is set aside to satisfy a short-term commitment that was satisfied during April 2022 and included within trade and other payables.

Also included in Cash at bank is £7,420 thousand deemed to be restricted as at December 31, 2021.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £672 thousand (2020: £2,799 thousand) being the total of the carrying amount of financial assets excluding cash, which includes trade receivables and other receivables. All the receivables are with parties in the UK.

The allowance account of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly. The Group provides for impairment losses based on estimated irrecoverable amounts determined by reference to specific circumstances and the experience of management of debtor default in the industry.

On that basis, the loss allowance as at December 31, 2021 and December 31, 2020 was determined as £nil for trade receivables.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's financial position. The Group's principal exposure to market risk is exposure to foreign exchange rate fluctuations. There are currently no currency forwards, options, or swaps to hedge this exposure.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

26 Financial risk management and impairment of financial assets (continued)

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from exposure to various currencies in the ordinary course of business. The Group received proceeds from the Business Combination transaction in USD, and subsequently holds cash in both USD and GBP. The majority of the Group's trading costs are in GBP. The Group also has supply contracts denominated in USD and EUR. The Group holds sufficient cash in both USD and GBP to satisfy its trading costs in each of these currencies. In 2020 and 2021, the Group did not consider foreign exchange rate risk to have a material impact on the financial statements and therefore no sensitivity analysis is presented The Company may be exposed to material foreign exchange risk in subsequent years as a result of the significance of the USD denominated Convertible Senior Secured Notes in particular relative to USD cash deposits held (which were $145,098 thousand at December 31,2021) and which are expected to decline as expenses are incurred until future funding is secured.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Group's management uses short and long-term cash flow forecasts to manage liquidity risk. Forecasts are supplemented by sensitivity analysis which is used to assess funding adequacy for at least a 12-month period.

The Company manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

Maturity analysis

	Within 1 year	Between 2 and 5 years	After more than 5 years	Total
2021	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	40,227	5,975	—	46,202
Lease liabilities	362	1,343	237	1,942
Convertible senior secured notes	—	112,799	—	112,799
	40,589	120,117	237	160,943
2020				
Trade and other payables	2,401	—	—	2,401
Lease liabilities	175	700	397	1,272
Other borrowings	6,309	—	—	6,309
	8,885	700	397	9,982

Capital management

The Group's objective when managing capital is to ensure the Group continues as a going concern; and grows in a sustainable manner. Given the ongoing development of eVTOL aircraft with minimal revenues, the Group relies on funding raised from the Business Combination transaction and other equity investors. Cash flow forecasting is performed on a regular basis which includes rolling forecasts of the Group's liquidity requirements to ensure that the Group has sufficient cash to meet operational needs.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

27 Related party transactions

Key management personnel

In 2021 key management personnel are the members of the Board.

In 2020 key management personnel are the CEO and the first line of reporting into the CEO, excluding support staff. There were 3 key management personnel in 2020.

Key management compensation

	2021	2020	2019
	£ 000	£ 000	£ 000
Salaries and other short term employee benefits	244	374	181
Payments to defined contribution pension schemes	14	39	24
Share-based payments	156	92	—
	414	505	205

In addition to the above, upon consummation of the Business Combination, Marcus Waley-Cohen was awarded 2,000,000 private options by the Company valued at £1,572 thousand (For more details see note 21).

Summary of transactions with other related parties

Imagination Industries Ltd

During the year ended December 31, 2021, the Group received loan funds from Imagination Industries Ltd of £2,945 thousand (2020: £5,600 thousand). The loan incurred an interest charge at 30% (2020: 30%) of £483 thousand (2020: £709 thousand) and amounts repaid totalled £737 thousand (2020: £nil).

During the year ended December 31, 2021, Imagination Industries Incubator Ltd charged the Group management fees of £108 thousand (2020: £144 thousand). The total balance outstanding at December 31, 2021 was £nil (2020: £72 thousand).

At December 31, 2021 the total balance owed to Imagination Industries Ltd was £nil (2020: £6 thousand).

Stephen Fitzpatrick

During the year ended December 31, 2021 the Group agreed to reallocate the loan outstanding from Imagination Industries Ltd totalling £9,000 thousand to Stephen Fitzpatrick. The loan was released by Stephen Fitzpatrick in exchange for newly issued share capital in the Company.

Upon consummation of the Business Combination, Stephen Fitzpatrick advanced $5m, recognised as £3,779 thousand, as part of the PIPE in exchange for 500,000 ordinary shares in the Company.

Vertical Aerospace Ltd

Notes to the Financial Statements for the Year Ended December 31, 2021 (continued)

27 Related party transactions(continued)

Dómhnal Slattery

On January 1, 2022, Dómhnal Slattery, who is also the Chief Executive Officer of Avolon, was appointed Chairman of the Board of Directors of the Company.

Vertical Advanced Engineering Ltd

On October 31, 2021, Vertical Advanced Engineering Ltd was disposed of for nominal consideration. During the year ended December 31, 2021, the Group charged Vertical Advanced Engineering Ltd a total of £65 thousand for engineering design services.

28 Ultimate controlling party

The ultimate controlling party is Stephen Fitzpatrick.

29 Non adjusting events after the reporting period

No such events have occurred following the end of the reporting period.

Exhibit 2.3

ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT
(WARRANT AGREEMENT)

This Assignment, Assumption and Amendment Agreement (this "Agreement") is made as of December 15, 2021, by and among Broadstone Acquisition Corp., a Cayman Islands exempted company (the "Company"), Vertical Aerospace Ltd., a Cayman Islands exempted company ("Pubco"), and Continental Stock Transfer & Trust Company, a New York corporation (the "Warrant Agent").

WHEREAS, the Company and the Warrant Agent are parties to that certain Warrant Agreement, dated as of September 10, 2020 and filed with the United States Securities and Exchange Commission on September 16, 2020 (the "Existing Warrant Agreement");

WHEREAS, the terms of the Warrants (as defined in the Existing Warrant Agreement) are governed by the Existing Warrant Agreement and capitalized terms used herein, but not otherwise defined, shall have the meanings given to such terms in the Existing Warrant Agreement;

WHEREAS, on June 10, 2021, the Company, Pubco, Broadstone Sponsor LLP, Vertical Aerospace Group Ltd. ("Vertical"), Vertical Merger Sub Ltd. ("Merger Sub"), Vincent Casey and the Company Shareholders (as defined in the Business Combination Agreement) party thereto, entered into a Business Combination Agreement (as amended from time to time, the "Business Combination Agreement");

WHEREAS, pursuant to the Business Combination Agreement, among other things, Merger Sub will merge with and into the Company (the "Merger"), as a result of which the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving company and a wholly-owned subsidiary of Pubco, and each issued and outstanding security of the Company shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of Pubco;

WHEREAS, upon consummation of the Merger, as provided in Section 4.4 of the Existing Warrant Agreement, the Warrants will no longer be exercisable for Class A ordinary shares of the Company, par value $0.0001 per share, but instead will be exercisable (subject to the terms and conditions of the Existing Warrant Agreement as amended hereby) for a like number of ordinary shares of Pubco, par value $0.0001 per share ("Pubco Ordinary Shares");

WHEREAS, the consummation of the transactions contemplated by the Business Combination Agreement will constitute a Business Combination (as defined in the Existing Warrant Agreement);

WHEREAS, in connection with the Merger, the Company desires to assign all of its right, title and interest in the Existing Warrant Agreement to Pubco; and

WHEREAS, Section 9.8 of the Existing Warrant Agreement provides that the Company and the Warrant Agent may amend the Existing Warrant Agreement without the consent of any Registered Holders (as defined in the Existing Warrant Agreement) for the purpose of (i) curing any ambiguity, or curing, correcting or supplementing any defective provision contained therein, or (ii) adding or changing any other provisions with respect to matters or questions arising under

the Existing Warrant Agreement as the Company and the Warrant Agent may deem necessary or desirable and that the Company and the Warrant Agent deem shall not adversely affect the interest of the registered holders under the Existing Warrant Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows.

1. Assignment and Assumption; Consent.

1.1 Assignment and Assumption. The Company hereby assigns to Pubco all of the Company's right, title and interest in and to the Existing Warrant Agreement (as amended hereby) as of the Merger Effective Time (as defined in the Business Combination Agreement). Pubco hereby assumes, and agrees to pay, perform, satisfy and discharge in full, as the same become due, all of the Company's liabilities and obligations under the Existing Warrant Agreement (as amended hereby) arising from and after the Merger Effective Time.

1.2 Consent. The Warrant Agent hereby consents to the assignment of the Existing Warrant Agreement by the Company to Pubco pursuant to Section 1.1 hereof effective as of the Merger Effective Time, and the assumption of the Existing Warrant Agreement by Pubco from the Company pursuant to Section 1.1 hereof effective as of the Merger Effective Time, and to the continuation of the Existing Warrant Agreement in full force and effect from and after the Merger Effective Time, subject at all times to the Existing Warrant Agreement (as amended hereby) and to all of the provisions, covenants, agreements, terms and conditions of the Existing Warrant Agreement and this Agreement.

2. Amendment of Existing Warrant Agreement. The Company and the Warrant Agent hereby amend the Existing Warrant Agreement as provided in this Section 2, effective as of the Merger Effective Time, and acknowledge and agree that the amendments to the Existing Warrant Agreement set forth in this Section 2 are necessary or desirable and that such amendments do not adversely affect the interests of the registered holders under the Existing Warrant Agreement:

2.1 Preamble. The preamble on page one of the Existing Warrant Agreement is hereby amended by deleting "Broadstone Acquisition Corp." and replacing it with "Vertical Aerospace Ltd." As a result thereof, all references to the "Company" in the Existing Warrant Agreement shall be references to Vertical Aerospace Ltd. rather than Broadstone Acquisition Corp.

2.2 Recitals. The recitals on pages one and two of the Existing Warrant Agreement are hereby deleted and replaced in their entirety as follows:

> "WHEREAS, on September 10, 2020, Broadstone Acquisition Corp. ("***Broadstone***") entered into that certain Private Placement Warrants Purchase Agreement with Broadstone Sponsor LLP, a United Kingdom limited liability partnership (the "***Sponsor***"), pursuant to which the Sponsor purchased, including via the subsequent over-allotment option, 8,106,060 warrants in the aggregate, each bearing the legend set forth in Exhibit B hereto (the "***Private Placement Warrants***") at a purchase price of $1.00 per Private Placement Warrant;

WHEREAS, on September 15, 2020, Broadstone consummated its initial public offering (the "***Offering***") of units of Broadstone's equity securities, each such unit comprised of one Class A ordinary share of the Company, par value $0.0001 per share ("***Broadstone Ordinary Shares***"), and one-half of one redeemable Public Warrant (as defined below) (the "***Units***") and, in connection therewith, including via the subsequent over-allotment option, issued and delivered 15,265,150 warrants (the "***Public Warrants***") to public investors in the Offering;

WHEREAS, in connection with the Offering, Broadstone filed with the U.S. Securities and Exchange Commission (the "***Commission***") a registration statement on Form S-1, File No. 333-245663 (the "***Registration Statement***") and prospectus (the "***Prospectus***") for the registration, under the Securities Act of 1933, as amended (the "***Securities Act***") of the Units, the Public Warrants and the Broadstone Ordinary Shares included in the Units;

WHEREAS, in order to finance Broadstone's transaction costs in connection with a Business Combination (as defined below), the Sponsor or an affiliate of the Sponsor or 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, which will be identical to the Private Placement Warrants (the "***Working Capital Warrants***," and, together with the Private Placement Warrants and the Public Warrants, the "***Warrants***");

WHEREAS, on June 10, 2021, Broadstone, the Company, the Sponsor, Vertical Aerospace Group Ltd. ("***Vertical***"), Vertical Merger Sub Ltd. ("***Merger Sub***"), Vincent Casey and the Company Shareholders (as defined in the Business Combination Agreement) party thereto, entered into a Business Combination Agreement (as amended from time to time, the "***Business Combination Agreement***"), which provides for, among other things, the merger of Merger Sub into Broadstone and each issued and outstanding security of the Vertical shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of the Company such that each issued and outstanding Broadstone Ordinary Share will be automatically converted into one newly issued ordinary share of the Company, par value $0.0001 per share (the "***Ordinary Shares***");

WHEREAS, on September 10, 2021, the Company, Broadstone and the Warrant Agent entered into an Assignment, Assumption and Amendment Agreement (the "***Warrant Assumption Agreement***"), pursuant to which Broadstone assigned all of Broadstone's right, title and interest in and to this Agreement to the Company, and the Company assumed all of Broadstone's liabilities and obligations under this Agreement;

WHEREAS, pursuant to the Business Combination Agreement, the Warrant Assumption Agreement and Section 4.4 of this Agreement, each Public Warrant and each Private Placement Warrant has been converted into the right to purchase one Ordinary Share rather than one Broadstone Ordinary Share

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer, exchange, redemption and exercise of the Warrants;

WHEREAS, the Company desires to provide for the form and provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants, when executed on behalf of the Company and countersigned by or on behalf of the Warrant Agent, as provided herein, the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:"

2.3 Detachability of Warrants. Section 2.4 of the Existing Warrant Agreement is hereby deleted and replaced with the following:

"[INTENTIONALLY OMITTED.]"

2.4 Duration of Warrants. The first sentence of Section 3.2 of the Existing Warrant Agreement is hereby deleted and replaced with the following:

"A Warrant may be exercised only during the period (the "Exercise Period") (A) commencing on January 15, 2022, and (B) terminating at the earliest to occur of (x) 5:00 p.m., New York City time on December 16, 2026, and (y) other than with respect to the Private Placement Warrants and the Working Capital Warrants then held by the Sponsor or its Permitted Transferees with respect to a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds $18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof, 5:00 p.m., New York City time on the Redemption Date (as defined below) as provided in Section 6.3 hereof (the "Expiration Date"); provided, however, that the exercise of any Warrant shall be subject to the satisfaction of any applicable conditions, as set forth in subsection 3.3.2 below, with respect to an effective registration statement."

2.5 Notices. Section 9.2 of the Existing Warrant Agreement is hereby deleted and replaced with the following:

"Any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five (5) days after deposit of such notice, postage

prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Vertical Aerospace Ltd.
140-142 Kensington Church Street, London, W8 4BN, United Kingdom
Email: #########@#####.com

Any notice, statement or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service within five (5) days after deposit of such notice, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows

Continental Stock Transfer & Trust Company
One State Street, 30th Floor
New York, NY 10004
Attention: Compliance Department

in each case, with copies to

Latham & Watkins (London) LLP
99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: #.#####.#######@lw.com and ######.#######@lw.com

and

Citigroup Global Markets Inc.
c/o Broadridge Financial Solutions
1155 Long Island Avenue
Edgewood, New York 11717
Telephone: (###) ###-#### ####

and

Davis Polk &Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Derek J. Dostal, Esq.
Email: #####.######@davispolk.com”

2.6 Applicable Law. Section 9.3 of the Existing Warrant Agreement is hereby amended by adding the following after the last sentence:

“The foregoing provisions of this Section 9.3 will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Section

27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder."

3. Miscellaneous Provisions.

3.1 Effectiveness. Each of the parties hereto acknowledges and agrees that the effectiveness of this Agreement shall be expressly subject to the occurrence of the Merger and shall automatically be terminated and shall be null and void if the Business Combination Agreement shall be terminated for any reason.

3.2 Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their permitted respective successors and assigns.

3.3 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

3.4 Applicable Law. The validity, interpretation and performance of this Agreement shall be governed in all respects by the laws of the State of New York, without giving effect to conflict of laws. The parties hereby agree that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. Each of the parties hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

3.5 Counterparts. This Agreement may be executed in any number of counterparts, and by facsimile or portable document format (pdf) transmission, and each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

3.6 Effect of Headings. The Section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

3.7 Entire Agreement. The Existing Warrant Agreement, as modified by this Agreement, constitutes the entire understanding of the parties and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

[Remainder of page intentionally left blank.]

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

BROADSTONE ACQUISITION CORP.

By: /s/ Edward Hawkes
Name: Edward Hawkes
Title: Director

[Signature Page to Assignment, Assumption and Amendment Agreement]

VERTICAL AEROSPACE LTD.

By: /s/ Vincent Casey
Name: Vincent Casey
Title: Director

[Signature Page to Assignment, Assumption and Amendment Agreement]

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

By: /s/ Douglas Reed
Name: Douglas Reed
Title: Vice President of Account Administration

[Signature Page to Assignment, Assumption and Amendment Agreement]

Exhibit 2.5

VERTICAL AEROSPACE LTD.
as Issuer,

THE GUARANTORS PARTY HERETO,
as Guarantors,

and

U.S. BANK NATIONAL ASSOCIATION
as Paying Agent, Registrar, Trustee and Collateral Agent

INDENTURE

Dated as of December 16, 2021

7.00% / 9.00% Convertible Senior Secured PIK Toggle Notes due 2026

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Exhibit B-1: Form of Restricted Note Legend B1-1
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Exhibit B-3: Form of Non-Affiliate Legend B3-1

INDENTURE, dated as of December 16, 2021, between Vertical Aerospace Ltd., a Cayman Islands exempted company (the "**Company**"), and U.S. Bank National Association, as paying agent (in such capacity, the "**Paying Agent**"), as registrar (in such capacity, the "**Registrar**"), as trustee (in such capacity, the "**Trustee**") and as collateral agent (in such capacity, the "**Collateral Agent**").

Each party to this Indenture (as defined below) agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders (as defined below) of the Company's 7.00% / 9.00% Convertible Senior Secured PIK Toggle Notes due 2026 (the "**Notes**").

Article 1. DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. DEFINITIONS.

"**Affiliate**" has the meaning set forth in Rule 144 as in effect on the Issue Date.

"**Applicable Procedures**" shall mean, with respect to any transfer or exchange of or for Book-Entry Interests in any Global Note, the procedures of Euroclear and/or Clearstream that apply to such transfer or exchange.

"**Asset Sale**" means the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions (including by way of a sale leaseback), of property or assets (including Equity Interests of a Subsidiary) of the Company or any of its Restricted Subsidiaries (each referred to in this definition as a "disposition") in each case, other than:

(i) any disposition of Cash Equivalents or surplus, obsolete, used or worn out property or other property, in each case whether now owned or hereafter acquired, if made in the good faith determination of the Company or the applicable Restricted Subsidiary and/or in the ordinary course of business, and dispositions of property no longer used or useful to, or economically practicable or commercially reasonable to maintain, and dispositions of intellectual property that is not material to, or is no longer used in, the business of the Company and the Restricted Subsidiaries (including (1) allowing any registration or application for registration of any such intellectual property to lapse, go abandoned or be invalidated or (2) disposing of, discontinuing the use or maintenance of, abandoning, failing to pursue or otherwise allowing to lapse, expire, terminate or put into the public domain any such intellectual property, in each case, if the Company determines in its reasonable business judgment that any of the foregoing does not materially interfere with or materially impair the business of the Company and the Restricted Subsidiaries, taken as a whole);

(ii) any disposition with an aggregate fair market value for all such property or assets disposed of pursuant to this clause (iii) in any fiscal year, not to exceed US$5,000,000;

(iii) (A) any exchange of like property (excluding any boot thereon) for use in a similar business and (B) dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property, or other assets or services of comparable or greater value or usefulness to the business (including transactions covered by

Section 1031 of the Code or any comparable provision of any foreign jurisdiction) as determined by the Company in good faith or (y) an amount equal to the net proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(iv) the lease, assignment, sub-lease, license or sub-license of any real or personal property in the ordinary course of business or consistent with industry practices;

(v) any issuance, disposition or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (or a Restricted Subsidiary which owns an Unrestricted Subsidiary so long as such Restricted Subsidiary owns no assets other than the Equity Interests of such Unrestricted Subsidiary);

(vi) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by this Indenture, and transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(vii) (A) dispositions or discounts without recourse of accounts receivable, notes receivable, rights to payment, other current assets or participations therein, or (B) dispositions of assets in connection with any Indebtedness permitted under this Indenture;

(viii) any financing transaction with respect to property built or acquired by the Company, or any of its Restricted Subsidiaries after the Issue Date, including asset securitizations permitted by this Indenture;

(ix) (A) the sale, discount, consignment or other disposition of inventory, goods held for sale, equipment, accounts receivable, notes receivable or other assets (including leasehold or licensed interests in real property), including on an intercompany basis, (x) in the ordinary course of business or consistent with past practice or the conversion of accounts receivable to notes receivable or (y) with respect to facilities that are temporarily not in use, held for sale or closed or the discontinuation of any product line or line of business, (B) the leasing or subleasing of real property in the ordinary course of business and (C) to the extent constituting an Asset Sale, the expiration of any option or similar agreement in respect of real or personal property;

(x) the licensing, sub-licensing or cross-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practices;

(xi) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business or consistent with industry practices or otherwise if the Company determines in good faith that such action is in the best interests of the Company and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to Holders;

(xii) the unwinding or termination of any hedging obligations;

(xiii) sales, transfers and other dispositions of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell and/or put/call arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(xiv) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(xv) intercompany transfers among the Note Parties;

(xvi) any sale of property or assets, if the acquisition of such property or assets was financed with Equity Interest contributed to the Company or any of its Restricted Subsidiaries;

(xvii) the disposition of any assets (including Equity Interests) acquired in a transaction after the Issue Date, which assets are not used or useful in the core or principal business of the Company and its Restricted Subsidiaries, (A) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Company to consummate any acquisition or (B) which, within 90 days of the date of such acquisition, are designated in writing to the Trustee as being held for sale and not for the continued operations of the Company or any of its Restricted Subsidiaries or any of their respective businesses;

(xviii) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any of its Restricted Subsidiaries to such Person;

(xix) dispositions and terminations of leases, subleases, licenses, sublicenses or cross- licenses (including of intellectual property or technology and any sale of improvements made to leased real property resulting from such sale), the sale or termination of which is (A) made in the ordinary course of business, (B) does not materially interfere with the business of the Company and the Restricted Subsidiaries, taken as a whole, or (C) related to facilities that are temporarily not in use, held for sale or closed, or the discontinuation of any product line or line of business;

(xx) dispositions in connection with Permitted Liens;

(xxi) dispositions contemplated in connection with the Merger;

(xxii) dispositions made to comply with any final order or other binding directive of any Governmental Authority or any applicable law having proper jurisdiction over the entity making such disposition;

(xxiii) any sale of vehicles and information technology equipment purchased at the end of an operating lease and resold thereafter;

(xxiv) dispositions in connection with cash management services, treasury arrangements and related activities, in each case, in the ordinary course of business; and

(xxv) any "fee in lieu" or other disposition of assets to any Governmental Authority that continue in use by the Company or any of its Restricted Subsidiaries, so long as the Company or such Restricted Subsidiary may obtain title to such asset upon reasonable notice by paying a nominal fee.

"**Authentication Order**" means an authentication order substantially in the form set forth in **Exhibit D**.

"**Authorized Denomination**" means, with respect to a Note, a principal amount minimum denomination equal to US$1,000 or any integral multiple of US$1,000 in excess thereof, and after the payment of PIK Interest, a principal amount minimum denomination equal to US$1.00 or any integral multiple of US$1.00 in excess thereof. For the purposes of the International Central Securities Depositories, the denomination of the Notes should be considered as US$1.00 and Euroclear Bank SA/NV and Clearstream Banking, société anonyme, are not required to monitor or enforce the minimum denomination/tradeable amount of, e.g., US$1,000.00

"**Bankruptcy Law**" means Title 11, United States Code, or any similar U.S. federal or state or non-U.S. law for the relief of debtors.

"**Board of Directors**" means the board of directors of the Company or a committee of such board duly authorized to act on behalf of such board.

"**Business Combination Agreement**" that certain business combination agreement, dated as of June 10, 2021, by and among Broadstone Acquisition Corp., Broadstone Sponsor LLP, Vertical Aerospace Ltd., Vertical Merger Sub Ltd., Vertical Aerospace Group Ltd., Vincent Casey, and the shareholders of Vertical Aerospace Group Ltd. party thereto, as amended prior to the date hereof.

"**Business Day**" means any day other than a Saturday, a Sunday or any day on which banking institutions or trust companies in the City of New York, New York or the city of the principal office of the Trustee, for purposes of this Indenture, are authorized or obligated by law, regulation or executive order to close or be closed.

"**Capital Lease Obligation**" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under IFRS; the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS, and the final maturity of such obligations shall be the date of the last payment of such amounts due under such lease (or other arrangement) prior to the first date on which such lease (or other arrangement) may be terminated by the lessee without payment of a premium or a penalty; and, for the purposes of this Indenture, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with IFRS.

"**Capital Stock**" of any Person means any and all shares of, interests in, rights to purchase, warrants or options for, participations in, or other equivalents of, in each case however designated, the equity of such Person, but excluding any debt securities convertible into such equity.

"**Cash Equivalent**" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by (i) the United States of America (or any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) or (ii) any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory, having a rating of at least A-1 from S&P or at least P-1 from Moody's, in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at the date of acquisition thereof, the highest credit rating obtainable from S&P or Moody's;

(c) investments in certificates of deposit, banker's acceptances and demand or time deposits, in each case maturing within 180 days from the date of acquisition thereof, issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (ii) has Tier 1 capital (as defined in such regulations) of not less than US$1,000,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least US$5,000,000,000; and

(f) instruments equivalent to those referred to in clauses (a) through (e) above denominated in pounds sterling, Canadian dollars or Euro or any other foreign currency comparable in credit quality and tenor and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

"**Clearstream**" shall mean Clearstream Banking S.A., or any successor thereto.

"**Close of Business**" means 5:00 p.m., New York City time.

"**Code**" means Internal Revenue Code of 1986, as amended.

"**Collateral**" has the meaning ascribed to such term in the Security Documents.

"**Collateral Agent**" means the Person named as such in the first paragraph of this Indenture until a successor replaces it in accordance with the provisions of this Indenture and, thereafter,

means such successor.

"**Common Depositary**" shall mean a depositary common to Euroclear and Clearstream, being initially Elavon Financial Services DAC, until a successor Common Depositary, if any, shall have become such pursuant to this Indenture, and thereafter "Common Depositary" shall mean or include each Person who is then a Common Depositary hereunder.

"**Company**" means the Person named as such in the first paragraph of this Indenture and, subject to **Article 6**, its successors and assigns.

"**Company Order**" means a written request or order signed on behalf of the Company by one (1) of its Officers and delivered to the Trustee.

"**Company Persons**" means any future, current or former officer, director, manager, member, member of management employee, consultant or independent contractor of the Company or any of its Subsidiaries.

"**Conversion Date**" means, with respect to a Note, the first Business Day on which the requirements set forth in **Section 5.02(A)** to convert such Note are satisfied, subject to **Section 5.03(C)**.

"**Conversion Price**" means, as of any time, an amount equal to (A) one thousand dollars (US$1,000) *divided by* (B) the Conversion Rate in effect at such time.

"**Conversion Rate**" initially means 90.9091 Ordinary Shares per US$1,000 principal amount of Notes; *provided*, *however*, that the Conversion Rate is subject to adjustment pursuant to **Article 5**; *provided*, *further*, that whenever this Indenture refers to the Conversion Rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the Conversion Rate immediately after the Close of Business on such date.

"**Conversion Share**" means any Ordinary Share issued or issuable upon conversion of any Note.

"**Corporate Trust Office**" means the office of the Paying Agent, Registrar and Trustee at which at any particular time this Indenture shall be principally administered, which office at the date hereof is located at U.S. Bank National Association, Global Corporate Trust Services, 60 Livingston Avenue, St. Paul, MN 55107, Attn: Account Administration (Vertical Aerospace Notes), or such other address as the Paying Agent, Registrar or Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor paying agent, successor registrar or successor trustee (or such other address as such successor paying agent, successor registrar or successor trustee may designate from time to time by notice to the holders and the Company).

"**Daily VWAP**" means, for any VWAP Trading Day, the per share volume-weighted average price of the Ordinary Shares as displayed under the heading "Bloomberg VWAP" on Bloomberg page "EVTL <EQUITY> AQR" (or, if such page is not available, its equivalent

successor page) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such VWAP Trading Day (or, if such volume-weighted average price is unavailable, the market value of one Ordinary Share on such VWAP Trading Day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm selected by the Company). The Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

"**Default**" means any event that is (or, after notice, passage of time or both, would be) an Event of Default.

"**Designated Preferred Stock**" means Preferred Stock of the Company (other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary of the Company or an employee stock or share ownership plan or trust established by the Company or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate on the issuance date thereof.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Capital Stock of such Person or any direct or indirect parent entity thereof that would not otherwise constitute Disqualified Stock, and other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Capital Stock of such Person or as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; provided that if such Capital Stock is issued pursuant to any plan for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Company or its Subsidiaries or by any such plan to such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided, further*, that any Capital Stock held by any Permitted Payee of the Company, any of its Subsidiaries, or any other entity in which the Company or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of Directors, in each case pursuant to any stock or share subscription or shareholders' agreement, management equity plan or stock or share option plan or any other management or employee benefit plan or agreement, shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries or in order to satisfy applicable statutory or regulatory obligations.

"**Equity Interest**" means shares, shares of capital stock, partnership interests (other than general partnership interests), membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but

excluding any debt securities convertible into any of the foregoing.

"**Euroclear**" shall mean Euroclear Bank SA/NV, or any successor thereto.

"**Ex-Dividend Date**" means, with respect to an issuance, dividend or distribution on the Ordinary Shares, the first date on which Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution (including pursuant to due bills or similar arrangements required by the relevant stock exchange). For the avoidance of doubt, any alternative trading convention on the applicable exchange or market in respect of the Ordinary Shares under a separate ticker symbol or CUSIP number will not be considered "regular way" for this purpose.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Excluded Contribution**" means Net Cash Proceeds, marketable securities or other proceeds received by the Company after the Issue Date from:

(a) contributions to its common equity capital (including in consideration for the issue of shares);

(b) dividends, distributions, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries; and

(c) the sale (other than to a Subsidiary of the Company or to any management equity plan or stock or share option plan or any other management or employee benefit plan or agreement of the Company) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Company or any direct or indirect parent entity to the extent contributed as common equity capital to the Company,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate.

"**Fundamental Change**" means any of the following events:

(A) a "person" or "group" (within the meaning of Section 13(d) of the Exchange Act), other than (x) the Company or its Wholly Owned Subsidiaries, their respective employee benefit plans or (y) the affiliated holders, files a Schedule TO (or any successor schedule, form or report) or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner" (as defined below) (i) of ordinary shares representing more than fifty percent (50%) of the voting power of all classes of the Company's ordinary shares; or (ii) of more than 50% of the outstanding Ordinary Shares;

(B) the consummation of (i) any sale, lease or other transfer, in one transaction or a series of transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or (ii) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition, liquidation or otherwise) all of the Ordinary Shares

are exchanged for, converted into, acquired for, or constitutes solely the right to receive, other securities, cash or other property; *provided*, *however*, that any merger, consolidation, share exchange or combination of the Company pursuant to which the Persons that directly or indirectly "beneficially owned" (as defined below) all classes of the Company's common equity immediately before such transaction directly or indirectly "beneficially own," immediately after such transaction, more than fifty percent (50%) of all classes of common equity of the surviving, continuing or acquiring company or other transferee, as applicable, or the parent thereof, in substantially the same proportions vis-à-vis each other as immediately before such transaction will be deemed not to be a Fundamental Change pursuant to this **clause (B)**;

(C) the Company's shareholders approve any plan or proposal for the liquidation or dissolution of the Company; or

(D) the Ordinary Shares cease to be listed on any of The New York Stock Exchange, The NASDAQ Capital Market, The NASDAQ Global Market or The NASDAQ Global Select Market (or any of their respective successors);

provided, *however*, that a transaction or event described in **clause (A) or (B)** above will not constitute a Fundamental Change if at least ninety percent (90%) of the consideration received or to be received by the holders of Ordinary Shares (excluding cash payments for fractional shares or pursuant to dissenters rights), in connection with such transaction or event, consists of ordinary shares listed on any of The New York Stock Exchange, The NASDAQ Capital Market, The NASDAQ Global Market or The NASDAQ Global Select Market (or any of their respective successors), or that will be so listed when issued or exchanged in connection with such transaction or event, and such transaction or event constitutes an Ordinary Shares Change Event whose Reference Property consists of such consideration.

For the purposes of this definition, (x) any transaction or event described in both **clause (A)** and in **clause (B)(i)** or **(ii)** above (without regard to the proviso in **clause (B)**) will be deemed to occur solely pursuant to **clause (B)** above (subject to such proviso); and (y) whether a Person is a "**beneficial owner**" and whether shares are "**beneficially owned**" will be determined in accordance with Rule 13d-3 under the Exchange Act.

For the purposes of this definition, the term "**affiliated holders**" means (i) Mr. Stephen Fitzpatrick and his estate, spouse, heirs and lineal descendants, (ii) any company, limited liability company, partnership, trust, foundation or other entity or investment vehicle for which any of the persons in clause (i) retains sole voting and dispositive power (or shared voting and/or dispositive power with other affiliated holders) with respect to the Ordinary Shares held by such company, partnership, trust, foundation or other entity or investment vehicle, and the trustees, legal representatives, beneficiaries and/or beneficial owners of such company, limited liability company, partnership, trust, foundation or other entity or investment vehicle, (iii) any not-for-profit entity where the acquisition or its Ordinary Shares is directed by any of the persons in clause (i), and (iv) any entity wholly-owned by any person described in clause (i).

"**Fundamental Change Redemption Multiplier**" means, with respect to any Redemption Date, if such Redemption Date falls:

(a) on or after the second anniversary of the Issue Date but prior to the third anniversary of the Issue Date, 109.0%;

(b) on or after the third anniversary of the Issue Date but prior to the fourth anniversary of the Issue Date, 104.5%; or

(c) on or after the fourth anniversary of the Issue Date, 100.0%.

"**Fundamental Change Repurchase Date**" means the date fixed for the repurchase of any Notes by the Company pursuant to a Repurchase Upon Fundamental Change, which must be a Business Day that is no more than 35, nor less than 20, Business Days after the date the Company sends the Fundamental Change Repurchase Notice.

"**Fundamental Change Repurchase Notice**" means a notice (including a notice substantially in the form of the "Fundamental Change Repurchase Notice" set forth in **Exhibit A**) containing the information, or otherwise complying with the requirements, set forth in **Section 4.02(F)(i)** and **Section 4.02(F)(ii)**.

"**Fundamental Change Repurchase Price**" means the cash price payable by the Company to repurchase any Note upon its Repurchase Upon Fundamental Change, calculated pursuant to **Section 4.02(D)**.

"**Global Note**" means a Note that is represented by a certificate substantially in the form set forth in **Exhibit A**, registered in the name of the Common Depositary, duly executed by the Company and authenticated by the Trustee, and deposited with the Trustee.

"**Global Note Legend**" means a legend substantially in the form set forth in **Exhibit B-2**.

"**Governmental Authority**" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Guarantee**" means the guarantee by each Guarantor of the Company's obligations under this Indenture and the Notes pursuant to **Article 9**.

"**Guarantor**" means each Person that becomes a Guarantor by executing an amended or supplemental indenture pursuant to **Section 8.01(B)** and **Section 9.03** and, subject to **Section 9.04**, its successors and assigns of the foregoing.

"**Holder**" means a person in whose name a Note is registered on the Registrar's books.

"**IFRS**" means International Financial Reporting Standards as promulgated by the International Accounting Standards Board.

"**Indebtedness**" of any Person means, without duplication,

(a) all obligations of such Person for borrowed money,

(b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments to the extent such obligations would appear as a liability on a balance sheet of such Person prepared in accordance with IFRS,

(c) all guarantees by such Person of Indebtedness of others,

(d) all Capital Lease Obligations of such Person,

(e) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit, letters of guaranty, bank guarantees, bankers' acceptances and similar instruments and

(f) to the extent not otherwise included in this definition, net obligations of such Person under hedging obligations entered into by such Person in the ordinary course of business and entered into for bona fide hedging purposes (and not for speculative purposes) as determined in good faith by the Company (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such person at the termination of such agreement or arrangement);

provided that the term "Indebtedness" shall not include (i) deferred or prepaid revenue, (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (iii) contingent indemnity and similar obligations incurred in the ordinary course of business, (iv) Indebtedness of any parent entity (for which none of the Company or any Subsidiary is liable) appearing on the balance sheet of the Company solely by reason of push down accounting under IFRS, (v) obligations in connection with government auctions, subsidies, benefits or similar programs or processes, and (vi) obligations under any license, permit or other approval (or guarantees in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner), to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For all purposes hereof, the Indebtedness of the Company and any of its Subsidiaries shall exclude (i) intercompany liabilities between and among them arising solely from their cash management, tax and accounting operations in the ordinary course of business and (ii) intercompany loans, advances or Indebtedness between and among them having a term not exceeding 364 days (inclusive of any rollover, conversion or extension terms) and made in the ordinary course of business.

"**Indenture**" means this Indenture, as amended or supplemented from time to time.

"**Interest Payment Date**" means, with respect to a Note, each June 15 and December 15 of each year, commencing on June 15, 2022 (or commencing on such other date specified in the certificate representing such Note). For the avoidance of doubt, the Maturity Date is an Interest

Payment Date.

"**Interest Period**" shall mean the period commencing on and including an Interest Payment Date and ending on and including the day immediately preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and include the day immediately preceding the first scheduled Interest Payment Date (the Interest Payment Date for any Interest Period shall be the Interest Payment Date occurring on the day immediately following the last day of such Interest Period).

"**Investment Grade Rating**" means S&P BBB- or above.

"**Investment Grade Securities**" means:

(a) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(b) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries;

(c) investments in any fund that invests at least 90% of its assets in investments of the type described in clauses (a) and (b) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(d) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"**Investments**" means, as to any Person, any direct or indirect acquisition of or investment by such Person in another Person, whether by means of (a) the purchase or other acquisition of Equity Interests or Indebtedness or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other Indebtedness or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person (excluding, in the case of the Company and the Restricted Subsidiaries, intercompany advances between and among the Company and/or the Restricted Subsidiaries arising solely from their cash management, tax and accounting operations in the ordinary course of business) or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. If an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with IFRS; *provided* that pending the final determination of the amounts to be so allocated in accordance with IFRS, such allocation shall be as reasonably determined by the Company. For purposes of the definition of "Unrestricted Subsidiary" and **Section 3.12** hereof:

"**Investments**" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; any property transferred to or

from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer; and if the Company or any of its Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary of the Company such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Company or any of its Restricted Subsidiaries in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in Cash Equivalents by the Company or a Restricted Subsidiary in respect of such Investment to the extent such amounts do not increase any other baskets under this Indenture.

"**Issue Date**" means December 16, 2021.

"**Last Reported Sale Price**" of the Ordinary Shares for any Trading Day means the closing sale price per share (or, if no closing sale price is reported, the average of the last bid price and the last ask price per share or, if more than one in either case, the average of the average last bid prices and the average last ask prices per share) of Ordinary Shares on such Trading Day as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Ordinary Shares are then listed. If the Ordinary Shares are not listed on a U.S. national or regional securities exchange on such Trading Day, then the Last Reported Sale Price will be the last quoted bid price per share of Ordinary Shares on such Trading Day in the over-the-counter market as reported by OTC Markets Group Inc. or a similar organization. If the Ordinary Shares are not so quoted on such Trading Day, then the Last Reported Sale Price will be the average of the mid-point of the last bid price and the last ask price per Ordinary Share on such Trading Day from each of at least three (3) nationally recognized independent investment banking firms selected by the Company. Neither the Trustee nor the Conversion Agent will have any duty to determine the Last Reported Sale Price.

"**Lien**" means, with respect to any asset, (a) any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, encumbrance, collateral assignment, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"**Limited Condition Transaction**" means (a) the entering into or consummation of any transaction (including in connection with any acquisition or similar permitted Investment or the assumption or incurrence of Indebtedness or the obtaining of a commitment in respect thereof) and/or (b) the making of any Restricted Payment.

"**Make-Whole Premium**" means, with respect to a Note at any time, (x) before the second anniversary of the Issue Date, the excess, if any, of (a) the present value at such time of (i) the Redemption Principal Amount of such Note on the Maturity Date plus (ii) any required interest payments due on such Note through the Maturity Date (but excluding accrued and unpaid interest through the relevant Redemption Date), computed using the rate for Cash Interest as the Stated Interest and a discount rate equal to the Treasury Rate plus 50 basis points, discounted to the

relevant Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), over (b) the principal amount of such Note and (y) otherwise, zero. The Trustee shall have no obligation to calculate or verify the calculation of the Make-Whole Premium.

"**Market Capitalization**" means, on the date of the declaration of a Restricted Payment permitted pursuant to **Section 3.12(b)(viii)** hereof, an amount equal to (a) the total number of issued and outstanding shares or other units of Equity Interests of the Company (that does not own any material assets other than (i) the Company and its Subsidiaries and (ii) any intermediate holding company that does not own any material assets other than (A) the Company and its Subsidiaries and (B) another such intermediate holding company) on such date *multiplied by* (b) the arithmetic mean of the closing prices per share or other unit of such Equity Interests on the New York Stock Exchange (or, if the primary listing of such Equity Interests is on another exchange, on such other exchange) for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"**Market Disruption Event**" means, with respect to any date, the occurrence or existence, during the one-half hour period ending at the scheduled close of trading on such date on the principal U.S. national or regional securities exchange or other market on which Ordinary Shares are listed for trading or trades, of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in the Ordinary Shares or in any options contracts or futures contracts relating to the Ordinary Shares.

"**Material IP**" means any intellectual property that is material to the business operations

of the Company and its Restricted Subsidiaries taken as a whole, and any licenses that are necessary to run the businesses of the Company and its Restricted Subsidiaries taken as a whole.

"**Maturity Date**" means December 15, 2026.

"**Merger**" means the business combination involving Broadstone Acquisition Corp. and Vertical Aerospace Ltd., pursuant to that certain Business Combination Agreement, dated as of June 10, 2021, by and among Broadstone Acquisition Corp., Broadstone Sponsor LLP, Vertical Aerospace Ltd., Vertical Merger Sub Ltd., Vertical Aerospace Group Ltd., Vincent Casey, and the shareholders of Vertical Aerospace Group Ltd. party thereto, whereby, among other things, (i) Broadstone Acquisition Corp. will merge with and into Vertical Merger Sub Ltd., with Broadstone Acquisition Corp. as the surviving company and (ii) Vertical Aerospace Ltd. will acquire certain Class A ordinary shares and all of the Class B ordinary shares (but not Class Z ordinary shares) of Vertical Aerospace Group Ltd., in exchange for the payment, issue, and delivery of ordinary shares of Vertical Aerospace Ltd. to the shareholders of Vertical Aerospace Group Ltd. party thereto.

"**Net Cash Proceeds**" with respect to any issuance or sale of common equity capital, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"**Non-Affiliate Legend**" means a legend substantially in the form set forth in **Exhibit B-3**.

"**Note Agent**" means any Registrar, Paying Agent or Conversion Agent.

"**Note Party**" means the Company and the Guarantors.

"**Notes**" means the 7.00% / 9.00% Convertible Senior Secured PIK Toggle Notes due 2026 issued by the Company pursuant to this Indenture.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of the Company (in each case, if any).

"**Officer's Certificate**" means a certificate that is signed on behalf of the Company by one (1) of its Officers and that meets the requirements of **Section 13.03**.

"**Open of Business**" means 9:00 a.m., New York City time.

"**Opinion of Counsel**" means an opinion in writing signed by legal counsel (including an employee of, or counsel to, the Company or any of its Subsidiaries) who is reasonably acceptable to the Trustee, that meets the requirements of **Section 13.03**, subject to customary qualifications and exclusions.

"**Ordinary Shares**" means the ordinary shares in of the Company, par value US$0.0001 per share, at the date of this Indenture, subject to **Section 5.09**.

"**Permitted Intercompany Activities**" means any transactions between or among the Company and its Restricted Subsidiaries that are entered into in the ordinary course of business of the Company and its Restricted Subsidiaries and, in the good faith judgment of the Company are necessary or advisable in connection with the ownership or operation of the business of the Company and its Restricted Subsidiaries, including, but not limited to, (a) payroll, cash management, purchasing, insurance and hedging arrangements; (b) management, technology and licensing arrangements; and (c) customer loyalty and rewards programs.

"**Permitted Investments**" means:

(a) any Investment in the Company or any of the Guarantors;

(b) any Investment in Cash Equivalents or Investment Grade Securities;

(c) any Investment by the Company or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent substantially all of its assets or a division, business unit or product line, including research and development and related assets in respect of any product) if as a result of such Investment:

(i) such Person becomes a Guarantor; or

(ii) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit or product line) to, or is liquidated into, the Company or a Guarantor,

and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(d) (i) any Investment in securities or other assets, including earn-outs, not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to **Section 3.10** hereof and (ii) promissory notes and other Investments (including non-cash consideration) received in connection with an Asset Sale (or any other disposition of assets not constituting an Asset Sale);

(e) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment or binding commitment existing on the Issue Date; *provided* that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (i) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (ii) as otherwise permitted under this Indenture;

(f) any Investment acquired by the Company or any of its Restricted Subsidiaries:

(i) consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business or consistent with past practice;

(ii) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade creditor, supplier or customer); or

(iii) in satisfaction of judgments against other Persons; or

(iv) as a result of a foreclosure or other security enforcement by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(g) hedging obligations;

(h) Investments in joint ventures, in Similar Businesses or in a Restricted Subsidiary of the Company to enable such Restricted Subsidiary to make substantially concurrent Investments

in Joint Ventures and/or Similar Businesses, in each case having an aggregate fair market value taken together with all other Investments made pursuant to this clause (h) that are at that time outstanding not to exceed the greater of (a) US$20,000,000 (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *plus* any amount invested into the Issuer or any Subsidiary by a third-party and which amount (or any portion thereof) is contractually agreed with such third-party to be allocated to a joint venture, *plus* the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; *provided*, *however*, that (i) if any Investment pursuant to this clause (h) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (h), (ii) the Equity Interests in such joint venture or Similar Business is beneficially owned by a Note Party;

(i) Investments the payment for which consists of Equity Interests (other than Disqualified Stock, except to the extent issued by the Company to one of its Restricted Subsidiaries) of the Company, or redemptions in whole or in part of any of the Company's Equity Interests (other than Disqualified Stock, except to the extent issued by the Company to one of its Restricted Subsidiaries) or with proceeds from substantially concurrent equity contributions or new Equity Interests (and in no event shall such contribution or issuance so utilized increase the amount available for Restricted Payments under clause (B) of Section 3.12(a) hereof) (other than Disqualified Stock, except to the extent issued by the Company to one of its Restricted Subsidiaries);

(j) guarantees of Indebtedness permitted under Section 4.09 hereof, performance guarantees and contingent obligations and the creation of Liens on the assets of the Company or any of its Restricted Subsidiary permitted under this Indenture;

(k) [reserved];

(l) Investments consisting of (i) purchases or other acquisitions of inventory, supplies, material or equipment, (ii) the leasing, sub-leasing, licensing, sub-licensing, cross- licensing or contribution of intellectual property in the ordinary course of business, consistent with past practice, consistent with industry practice or pursuant to joint marketing arrangements or non-exclusive licenses or sublicenses with other Persons, in each case in the good faith determination of the Company, or (iii) the contribution, assignment, licensing, sub-licensing or other Investment of intellectual property or other general intangibles and any other Investments in each case of this clause (iii) made to Restricted Subsidiaries of the Company (or to other Persons but only in respect of immaterial intellectual property or other general intangibles) in connection therewith;

(m) loans, advances and other credit extensions to Permitted Payees (i) for reasonable and customary business-related travel, entertainment, relocation (including moving expenses and costs of replacement homes), business machines or supplies, automobiles and analogous ordinary business purposes and (ii) in connection with such Person's purchase of Equity Interests in the Company or any of its Restricted Subsidiaries; provided that either (x) (1) no cash or Cash

Equivalents are advanced in connection with such loan, advance or credit extension or (2) after giving pro forma effect thereto, the aggregate principal amount of loans, advances and other credit extensions in cash or Cash Equivalents outstanding in reliance on clause (2) of this proviso shall not exceed US$2,500,000 and (y) such loan shall be secured by the Equity Interests held by such Person;

(n) advances, loans or extensions of trade credit (other than to Permitted Payees) in the ordinary course of business or consistent with past practice by the Company or any of its Restricted Subsidiaries;

(o) any Investment in connection with cash management services, treasury arrangements or related activities arising in the ordinary course of business or consistent with past practice;

(p) (i) Investments made as part of, or in connection with, the SPAC Transactions and (ii) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice;

(q) Investments (i) consisting of deposits, prepayments, rebates, extensions of credit in the nature of accounts receivable or notes receivable and/or other credits to suppliers or other trade counterparties, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts and/or (iii) in the form of advances made to distributors, suppliers, licensors and licensees, in each case, in the ordinary course of business or, in the case of clause (iii), to the extent necessary to maintain the ordinary course of supplies to the Company or any of its Restricted Subsidiaries;

(r) (i) obligations with respect to Guarantees provided by the Company or any Restricted Subsidiary in respect of leases and/or subleases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, (ii) obligations with respect to Guarantees of the lease obligations of suppliers, customers, franchisees and licensees of the Company and/or its Restricted Subsidiaries, in each case, entered into in the ordinary course of business and (iii) Investments consisting of Guarantees of any supplier's obligations in respect of commodity contracts, including hedging obligations, solely to the extent such commodities relate to the materials or products to be purchased by the Company or any of its Restricted Subsidiaries and (iv) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(s) exchanges, conversions, redemptions or repurchases of the Notes;

(t) Investments in the ordinary course of business or consistent with past practice consisting of endorsements for collection or deposit and customary trade arrangements with customers, vendors, suppliers, licensors, sub-licensors, licensees and sub-licensees in the ordinary course of business;

(u) Investments (including debt obligations and Equity Interests) (i) received in connection with the bankruptcy, work-out, recapitalization or reorganization of any Person, (ii) in satisfaction of judgments against other Persons, (iii) as a result of a foreclosure or other security

enforcement with respect to any secured Investment or other transfer of title with respect to any secured Investment and (iv) as a result of or in connection with settlement, compromise or resolution of (a) litigation, arbitration or other disputes or (b) obligations of trade creditors, suppliers, licensors, customers and other account debtors that were incurred in the ordinary course of business of the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier, licensor, customer or other account debtor;

(v) loans and advances of payroll payments or other advances of salaries or compensation to Company Persons in the ordinary course of business and Investments in connection with any deferred compensation plan or arrangement for any Company Person;

(w) Investments made in connection with Permitted Intercompany Activities and related transactions;

(x) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a casualty event;

(y) [reserved];

(z) earnest money deposits required in connection with any acquisition permitted under this Indenture (or similar Investments);

(aa) contributions in connection with compensation arrangements or to a "rabbi" trust for the benefit of Company Persons or other service providers of the Company, the Company or any Restricted Subsidiary or to any other grantor trust subject to claims of creditors in the case of a bankruptcy or other insolvency proceeding of the Company or any of its Restricted Subsidiaries;

(bb) (i) Investments of the Company or any of the Guarantors acquired after the Issue Date or of a Person merged or consolidated with the Company or any of its Guarantors in accordance with this Indenture after the Issue Date and (ii) Investments of an Unrestricted Subsidiary prior to the date on which such Unrestricted Subsidiary is designated a "Restricted Subsidiary," in each case, (x) to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation or such designation and were in existence on the date of such acquisition, merger or consolidation or such designation and (y) including any modification, replacement, renewal, reinvestment or extension thereof so long as the amount of the original Investment permitted under this clause (bb) is not increased except by the terms of such Investment existing on the date of such acquisition, merger or consolidation or such designation or as otherwise not prohibited by this Indenture;

(cc) to the extent that they constitute Investments, purchases and acquisitions of inventory, supplies, materials or equipment or purchases, acquisitions, licenses, sublicenses, subleases or leases of other assets, intellectual property, or other rights, in each case in the ordinary course of business;

(dd) [*reserved*];

(ee) [*reserved*];

(ff) Investments made in joint ventures as required by, or made pursuant to, buy/sell and/or put/call arrangements between the joint venture parties set forth in joint venture agreements and *similar* binding arrangements in effect on the Issue Date or entered into after the Issue Date in the ordinary course of business;

(gg) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent that such obligations and/or liabilities, as applicable, are permitted to remain unfunded under applicable law;

(hh) Investments in connection with cash management services and related activities in the ordinary course of business;

(ii) Investments consisting of (i) the licensing or contribution of intellectual property pursuant to joint marketing, collaborations or other similar arrangements with other Persons and/or (ii) minority equity interests in customers received as part of fee arrangements, in each case, entered into in the ordinary course of business;

(jj) [*reserved*]; and

(kk) Investments consisting of earnest money deposits required in connection with purchase agreements or other acquisitions or Investments otherwise permitted under this Indenture and any other pledges or charges or other security interests or deposits permitted by this Indenture.

For purposes of determining compliance with this definition, in the event that a proposed Investment (or a portion thereof) meets the criteria of clauses (a) through (kk) above, the Company will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Investment (or a portion thereof) between such clauses (a) through (mm) in any manner that otherwise complies with this definition.

"**Permitted Liens**" (including in each case of the following, any modification, refinancing, refunding, restatement, exchange, extension, renewal or replacement (or successive refinancing, refunding, restatements, exchange, extensions, renewals or replacements of the obligations secured by such Liens)) means:

(i) Liens securing Indebtedness permitted to be incurred pursuant to clauses (a), (e) and (f) of **Section 3.08**;

(ii) Liens on property (including Equity Interests) existing at the time of acquisition of the property and/or person by such Person (plus improvements and accessions to such property or proceeds or distributions thereof); *provided* that such Liens were in existence prior to such acquisition and not incurred in contemplation of such acquisition;

(iii) Liens arising under this Indenture, including those that are for the benefit of the Collateral Agent;

(iv) Liens securing any (a) hedging obligations entered into by such Person in the ordinary course of business and entered into for bona fide hedging purposes (and not for

speculative purposes) as determined in good faith by the Company and (b) cash management obligations;

(v) pledges, deposits or security by such Person under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation or other insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business or consistent with past practice;

(vi) Liens (and rights of set-off) imposed by statutory or common law, such as banks' landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, workmen's or construction contractors' Liens and other similar Liens, that secure amounts not overdue for a period of more than 60 days or, in each such case, if more than 60 days overdue, such Liens (and rights of set-off) (i) are unfiled and no other action has been taken to enforce such Liens, (ii) are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS or (iii) are such that the failure to make payment could not reasonably be expected to have a material adverse effect;

(vii) Liens for taxes, assessments or other governmental charges (including any Lien imposed by any pension authority or similar Liens) not yet overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment or, if more than 60 days overdue, which are being contested in good faith and by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS;

(viii) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers acceptances issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice;

(ix) (i) easements, entitlements, rights-of-way, reservations, restrictions, servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunications, telephone or telegraph or cable conduits, poles, wires and similar protrusions, rights waivers, restrictions, covenants, site plan agreements, development agreements, operating agreements, cross-easement agreements, conditions, encroachments, protrusions, zoning restrictions, applicable laws, municipal ordinances and other similar encumbrances or matters, or encumbrances or matters that are or would be reflected on a survey (or by inspection) of any real property, (ii) irregularities of title, (iii) title defects affecting real property that, in the aggregate,

do not materially interfere with the ordinary conduct of the business of the Company and the Restricted Subsidiaries, taken as a whole and (iv) any Lien or exception on (or disclosed in) the applicable policies issued to, and approved by, the collateral agent in connection with mortgaged property (and any replacement, extension or renewal of such Lien or exception);

(x) Liens existing on the Issue Date including Liens securing any refinancing Indebtedness of any Indebtedness secured by such Liens; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements and accessions to such property or proceeds or distributions thereof) that secured the Indebtedness;

(xi) Liens on property or shares or shares of stock or other assets of a Person at the time such Person becomes a Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary; *provided, further*, that such Liens may not extend to any other property or other assets owned by the Company or any of its Restricted Subsidiaries;

(xii) Liens on inventory or goods, the purchase price of which is financed by, or securing obligations in respect of, commercial letters of credit or bankers' acceptances issued for the account of the Company or any of its Restricted Subsidiaries or to facilitate the purchase, shipment or storage of such inventory or goods;

(xiii) leases, sub-leases, licenses or sub-licenses granted to others in the ordinary course of business or consistent with past practice which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries, taken as a whole;

(xiv) Liens arising from UCC (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Company and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary UCC (or equivalent statute) financing statements or similar public filings;

(xv) Liens in favor of the Company or its Restricted Subsidiaries;

(xvi) Liens on vehicles or equipment of the Company or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice;

(xvii) deposits made or other security provided in the ordinary course of business or consistent with past practice to secure liability to insurance carriers;

(xviii) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with past practice;

(xix) Liens securing, or otherwise arising from, judgments, awards, attachments and/or decrees and notices of *lis pendens* and associated rights relating to litigation being contested in good faith and any pledge, charge or other security interest and/or deposit securing any settlement of litigation;

(xx) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(xxi) Liens (i) of a collection bank arising under Section 4-210 of the UCC or any comparable or successor provision on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or consistent with past practice, and (iii) in favor of banking or other financial institutions arising as a matter of law or under general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) and which are within the general parameters customary in the banking industry;

(xxii) Liens deemed to exist in connection with any investments;

(xxiii) Liens encumbering reasonable customary deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice and not for speculative purposes;

(xxiv) Liens that are contractual rights of set-off or rights of pledge (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Restricted Subsidiaries or consistent with past practice or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(xxv) any encumbrance or restriction (including put and call arrangements) with respect to capital stock or shares of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(xxvi) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by such Person in the ordinary course of business or consistent with past practice;

(xxvii) Liens solely on any cash earnest money deposits made by such Person in connection with any letter of intent or purchase or other agreement;

(xxviii) ground leases or subleases in respect of real property on which facilities owned or leased by such Person that are located and any zoning, building or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property or any structure thereon (including Liens in connection with any condemnation or eminent domain proceeding or compulsory purchase order) that does not materially interfere with the business of the Company or the Restricted Subsidiaries, taken as a whole;

(xxix) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(xxx) Liens on capital stock or shares of an Unrestricted Subsidiary that secure

Indebtedness or other obligations of such Unrestricted Subsidiary;

(xxxi) Liens (i) on cash or Cash Equivalents or escrow deposits (A) in connection with any letter of intent or purchase agreement with respect to any investment or other acquisition (or to secure letters of credit posted in respect thereof), (B) in favor of any seller of property pursuant to a transaction not prohibited hereunder, to be applied against the purchase price for such transaction or (C) otherwise in connection with any escrow arrangements (or similar arrangements) with respect to any investment or other acquisition of assets, asset sale or incurrence of Indebtedness (including any letter of intent or purchase or other agreement with respect to any such investment or other acquisition of assets, asset sale or incurrence of Indebtedness) or (ii) consisting of an agreement to dispose of any property;

(xxxii) (i) any interest or title of a lessor, sub-lessor, franchisor, licensor or sub-licensor or secured by a lessor's, sub-lessor's, franchisor's, licensor's or sub-licensor's interest under leases or non-exclusive licenses entered into by the Company or any of the Restricted Subsidiaries in the ordinary course of business or consistent with past practice or with respect to intellectual property, software and other technology licenses that is not material to the conduct of the business of the Company or its Restricted Subsidiaries, taken as a whole, or (ii) Liens granted pursuant to a security agreement between the Company or any of its Restricted Subsidiaries and a licensee of intellectual property to secure the damages, if any, incurred by such licensee resulting from the rejection of the license of such licensee in a bankruptcy, reorganization or similar proceeding with respect to the Company or such Restricted Subsidiary;

(xxxiii) deposits of cash with the owner or lessor of premises leased and operated by the Company or any of its Restricted Subsidiaries in the ordinary course of business of the Company and such Restricted Subsidiary or consistent with past practice to secure the performance of the Company's or such Restricted Subsidiary's obligations under the terms of the lease for such premises;

(xxxiv) Liens on assets deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets;

(xxxv) Liens on any funds or securities held in escrow accounts or similar arrangements established for the purpose of holding proceeds from issuances of debt securities or incurrences of other Indebtedness by the Company or any of its Restricted Subsidiaries issued after the Issue Date, together with any additional funds required in order to fund any payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance or incurrence of such Indebtedness), mandatory redemption or sinking fund payment on such debt securities or other Indebtedness;

(xxxvi) Liens incurred or deposits made to secure the performance of leases, tenders, statutory obligations (including those to secure health, safety and environmental obligations and Liens required by applicable law to be granted in favor of creditors in relation to a merger or other reorganization), warranties, bids, government or trade contracts (including customer contracts, but other than for the payment of Indebtedness for borrowed money), indemnities, governmental contracts, performance, bid, appeal, indemnity, stay, customs, judgment, completion, return-of-money and/or surety bonds, bankers' acceptance facilities, completion guarantees and other

obligations of a like nature and obligations in respect of letters of credit posted to support any of the foregoing, in each case incurred in the ordinary course of business;

(xxxvii) rights of setoff, banker's lien, netting agreements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance or administration of deposit accounts, securities accounts or similar accounts or cash management arrangements or in connection with the issuance of letters of credit;

(xxxviii) Liens given to a utility or any municipality or Governmental Authority when requested or required by such utility, municipality or Governmental Authority in connection with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries and obligations in respect of letters of credit posted to support any of the foregoing;

(xxxix) reservations, limitations, provisos and conditions expressed in any original grant from any Governmental Authority or other grant of real or immovable property or interests therein;

(xl) (i) any interest or title (and all encumbrances and other matters affecting such interest or title) of, or Liens attributable to, an owner, lessor, sublessor, licensor or sub-licensor under any lease, license, occupancy or similar arrangement with respect to real estate or other property, (ii) any Lien, restriction or encumbrance to which the interest or title of such owner, lessor, sublessor, licensor or sublicensor may be subject, (iii) subordination of the interest of the lessee, sub-lessee, licensee, sub-licensee or occupier under such lease, sublease, license, sublicense, occupancy or similar arrangement to any Lien referred to in the preceding clause (ii), (iv) any landlord Lien arising by applicable law or permitted by the terms of any lease, sublease, license, sublicense, occupancy or similar arrangement or (v) any deposit of cash with the owner or lessor of premises leased and operated by the Company or any of its Restricted Subsidiaries in the ordinary course of business to secure the performance of obligations under the terms of the lease for such premises;

(xli) (i) leases, licenses, subleases, sub-licenses, occupancies or cross-licenses granted to others (other than with respect to intellectual property), (ii) assignments of intellectual property granted to a customer of the Company or any of its Restricted Subsidiaries in the ordinary course of business which do not secure any Indebtedness for borrowed money or (iii) the rights reserved or vested in any Person (including any Governmental Authority) by the terms of any lease, license, franchise, grant or permit held by the Company or any of its Restricted Subsidiaries or required by applicable law, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xlii) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised, or which relate to obligations not overdue for a period of more than 60 days, or, in each such case, if more than 60 days overdue, such Liens and other rights (i) are unfiled and no other action has been taken to enforce such Liens and other rights, or (ii) are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS;

(xliii) Liens arising solely in connection with rights of dissenting equity holders pursuant

to applicable law in respect of the Merger;

(xliv) Liens arising (i) out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods and bailee arrangements, in each case in the ordinary course of business or (ii) by operation of law under Article 2 of the UCC (or any similar law of any jurisdiction);

(xlv) Liens on securities or other assets that are the subject of repurchase agreements constituting investments arising out of such repurchase transaction;

(xlvi) Liens that are rights of set-off or netting (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or (iii) relating to purchase orders and other agreements entered into with customers or contractual counterparties in the ordinary course of business;

(xlvii) Liens on cash and Cash Equivalents in connection with the defeasance, redemption, satisfaction and/or discharge of Indebtedness;

(xlviii) receipt of progress payments and advances from customers in the ordinary course of business to the extent such receipt or advance, as applicable, creates a Lien on the related inventory and proceeds thereof;

(xlix) Liens in respect of sale leasebacks on the assets or property sold and leased back in such sale leaseback; and

(l) deposits by the Company and the Restricted Subsidiaries made in the ordinary course of business and held by (or for the benefit of) (i) regulatory authorities in connection with state insurance licensing requirements, (ii) customers and contract counterparties including landlords and lessors or (iii) issuers of letters of credit issued to Persons described in clauses (i) and (ii) above in the ordinary course of business for so long as such letters of credit remain outstanding.

"**Permitted Payees**" means any Company Person (or any Affiliate, Permitted Transferee or other transferee of any of the foregoing).

"**Permitted Transferees**" means, with respect to any Person that is a natural Person (and any Permitted Transferee of such Person), (a) such Person's immediate family, including his or her spouse, ex-spouse, children, step-children, grandchildren and their respective lineal descendants, parent, step- parent, grandparent, domestic partner, former domestic partner, sibling or step-sibling (and any lineal descendant thereof), mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), (b) any trust, partnership, estate planning vehicle or other legal entity the beneficiaries of which are persons referred to in the preceding clause (a) and (c) such Person's estate, heirs, legatees, distributees, executors and/or administrators upon the death of such Person, or any private foundation or fund that is controlled thereby, and any other Person who was an Affiliate of such Person upon the death of such Person and who, upon such death, directly or indirectly owned Equity Interests in the Company.

"**Person**" or "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, company, trust, unincorporated organization or government or other agency or political subdivision thereof. Any division or series of a limited liability company, limited partnership or trust will constitute a separate "person" under this Indenture.

"**Physical Note**" means a Note (other than a Global Note) that is represented by a certificate substantially in the form set forth in **Exhibit A**, registered in the name of the Holder of such Note and duly executed by the Company and authenticated by the Trustee.

"**PIK Interest**" means payment of interest on the Notes through an increase in the principal amount of the outstanding Notes (including the increase of any Physical Notes on the books and records of the Registrar) or through the issuance of PIK Notes (to the extent approved by the Trustee in its sole discretion), to the extent all interest due on an Interest Payment Date is so paid.

"**Preferred Stock**" means the preferred shares in the share capital of the Company of US$0.0001 each nominal or par value designated as Preferred Shares.

"**Qualified Equity Interests**" means any Equity Interests that are not Disqualified Stock.

"**Recurring Contracts**" means, as of any date of determination, any commercial contract of the Company or any of its Restricted Subsidiaries for the provision of goods or services that are continuous and not project based.

"**Redemption**" means the repurchase of any Note by the Company pursuant to **Section 4.03**.

"**Redemption Date**" means the date fixed, pursuant to **Section 4.03(D)**, for the settlement of the repurchase of any Notes by the Company pursuant to a Redemption.

"**Redemption Notice Date**" means, with respect to a Redemption, the date on which the Company sends the Redemption Notice for such Redemption pursuant to **Section 4.03(F)**.

"**Redemption Multiplier**" means, with respect to any Redemption Date, if such Redemption Date falls:

(a) on or after the second anniversary of the Issue Date but prior to the third anniversary of the Issue Date, 109.0%;

(b) on or after the third anniversary of the Issue Date but prior to the fourth anniversary of the Issue Date, 104.5%; or

(c) on or after the fourth anniversary of the Issue Date, 100.0%.

"**Redemption Price**" means the cash price payable by the Company to redeem any Note upon its Redemption, calculated pursuant to **Section 4.03(E)**.

"**Redemption Principal Amount**" means the principal amount of a Note payable by the Company to redeem such Note upon its Redemption, calculated pursuant to Section 4.03(B).

"**Reference Price**" means the Last Reported Sale Price of the Ordinary Shares on the Issue Date (subject to proportionate adjustment for stock or share dividends, stock or share splits or stock or share combinations with respect to the Ordinary Shares).

"**Registration Rights Agreement**" means section 5 of the Subscription Agreement.

"**Regular Record Date**" with respect to any Interest Payment Date, means the June 14 or December 14 immediately preceding each Interest Payment Date, or if any such day is not a Business Day, on the immediately preceding Business Day.

"**Repurchase Upon Fundamental Change**" means the repurchase of any Note by the Company pursuant to **Section 4.02**.

"**Required Additional Secured Debt Terms**" means with respect to any Indebtedness, (a) such Indebtedness does not mature earlier than the Maturity Date, (b) such Indebtedness does not have mandatory redemption features (other than customary exceptions) that could result in redemptions of such Indebtedness prior to the Maturity Date (it being understood that the Company and the Restricted Subsidiaries shall be permitted to make any AHYDO "catch up" payments, if applicable), (c) such Indebtedness is not guaranteed by any entity that is not a Note Party, (d) such Indebtedness is incurred solely for the purposes of financing the development of one or more assembly facilities and related equipment and (e) such Indebtedness is secured solely by Liens on such assembly facilities and related equipment.

"**Responsible Officer**" means, (A) when used with respect to the Trustee or the Collateral Agent, as applicable, any officer of the Trustee or the Collateral Agent assigned by the Trustee or the Collateral Agent, as applicable, having direct responsibility for the administration of this Indenture; and (B) with respect to a particular corporate trust matter relating to this Indenture, any other officer to whom such matter is referred because of his or her knowledge of, and familiarity with, the particular subject.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Note Legend**" means a legend substantially in the form set forth in **Exhibit B-1**.

"**Restricted Share Legend**" means, with respect to any share certificates with respect to any Conversion Share, a legend on such certificates substantially to the effect that the offer and sale of such Conversion Share have not been registered under the Securities Act and that such Conversion Share cannot be sold or otherwise transferred except pursuant to a transaction that is registered under the Securities Act or that is exempt from, or not subject to, the registration requirements of the Securities Act.

"**Restricted Subsidiary**" means, with respect to any Person, at any time, any direct or indirect Subsidiary of such Person that is not then an Unrestricted Subsidiary; *provided* that upon

an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary." Unless the context otherwise requires, any references to Restricted Subsidiary refer to a Restricted Subsidiary of the Company.

"**Rule 144**" means Rule 144 under the Securities Act (or any successor rule thereto), as the same may be amended from time to time.

"**Rule 144A**" means Rule 144A under the Securities Act (or any successor rule thereto), as the same may be amended from time to time.

"**Scheduled Trading Day**" means any day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange on which the Ordinary Shares are then listed or, if the Ordinary Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Ordinary Shares are then traded. If the Ordinary Shares are not so listed or traded, then "Scheduled Trading Day" means a Business Day.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security**" means any Note or Conversion Share.

"**Security Documents**" means all security agreements (including the Share Charge), intercreditor agreements, pledge agreements, charges, mortgages, collateral assignments, collateral agency agreements, or other grants or transfers for security executed and delivered by the Company or any Guarantor creating (or purporting to create) a Lien upon Collateral for the benefit of the Holders to secure the obligations under this Indenture, in each case, as amended, supplemented, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms and the terms of this Indenture.

"**Share Charge**" means that certain share charge governed by English law, dated as of the Issue Date, by and among the Company, as Chargor, and the Collateral Agent, as amended, supplemented or modified from time to time.

"**Shelf Effectiveness Date**" means the date when the Shelf Registration Statement is effective and available for use and is expected to remain effective and available during the period from, and including, the relevant Redemption Notice Date to, and including, the Business Day immediately before the related Redemption Date or the related Tax Redemption Date, as of the Redemption Notice Date.

"**Shelf Registration Statement**" has the meaning prescribed to it in the Registration Rights Agreement.

"**Significant Subsidiary**" means, with respect to any Person, any Subsidiary of such Person that constitutes, or any group of Subsidiaries of such Person that, in the aggregate, would constitute, a "significant subsidiary" (as defined in Rule 1-02(w) of Regulation S-X under the

Exchange Act) of such Person.

"**Similar Business**" means (1) any business conducted by the Company or any of its Restricted Subsidiaries on the Issue Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, corollary, complementary, synergistic or related to, or a reasonable extension, development or expansion of, the businesses that the Company and its Restricted Subsidiaries conduct or propose to conduct on the Issue Date.

"**SPAC Transactions**" means any transaction or series of transactions, including without limitation, such transactions contemplated by the Business Combination Agreement, by and among Broadstone Acquisition Corp., Broadstone Sponsor LLP, Vertical Aerospace Ltd., Vertical Merger Sub Ltd., Vertical Aerospace Group Ltd., Vincent Casey, and the shareholders of Vertical Aerospace Group Ltd. party thereto, as amended from time to time, that results in the direct or indirect acquisition of the Company (or any parent or subsidiary thereof) by, or a merger or other combination with or investment from, a publicly traded special purpose acquisition company or similar third party (in each case, including any parent or subsidiary thereof), irrespective of the voting power of the resulting entity held by the shareholders of the Company preceding such transaction or series of transactions.

"**Special Interest**" means any interest that accrues on any Note pursuant to **Section 7.03**.

"**Specified Transaction**" means any of the following identified by the Company: (a) transaction or series of related transactions, including investments, that results in a Person becoming a Restricted Subsidiary, (b) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, (c) any acquisition, (d) any transaction or series of related transactions, including Asset Sale, that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Company, (e) any acquisition or disposition of assets constituting a business unit, line of business or division of another Person or a facility, (f) any material acquisition, disposition or changes in customer, supplier or other commercial contracts or arrangements or new material customer, supplier or other commercial contracts or arrangements, including (i) material changes to amounts to be paid by or received by Note Parties and (ii) material changes to contracted or implemented revenue, (g) any restructuring of the business of the Company, whether by merger, consolidation, amalgamation or otherwise, (h) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), and (i) transactions of the type given pro forma effect in (i) the Company Model or (ii) any quality of earnings report prepared by a nationally recognized accounting firm in connection with the SPAC Transactions or any investment or acquisition consummated after the Issue Date.

"**Subordinated Indebtedness**" means, with respect to the Notes, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes and any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"**Subscriber**" means Mudrick Capital Management L.P. or any fund, investor, entity or account that is managed, sponsored or advised by Mudrick Capital Management L.P. or its Affiliates.

"**Subscription Agreement**" means the Convertible Note Subscription Agreement, dated as of October 26, 2021, between the Company and the Subscriber.

"**Subsidiary**" means, with respect to any Person, (A) any corporation, company, association or other business entity (other than a partnership or limited liability company) of which more than fifty percent (50%) of the total voting power of the Capital Stock entitled (without regard to the occurrence of any contingency, but after giving effect to any voting agreement or stockholders' or shareholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees, as applicable, of such corporation, association or other business entity is owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person; and (B) any partnership or limited liability company where (i) more than fifty percent (50%) of the capital accounts, distribution rights, equity and voting interests, or of the general and limited partnership interests, as applicable, of such partnership or limited liability company are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person, whether in the form of membership, general, special or limited partnership or limited liability company interests or otherwise; and (ii) such Person or any one or more of the other Subsidiaries of such Person is a controlling general partner of, or otherwise controls, such partnership or limited liability company.

"**Trading Day**" means any day on which (A) trading in the Ordinary Shares generally occurs on the principal U.S. national or regional securities exchange on which the Ordinary Shares are then listed or, if the Ordinary Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Ordinary Shares are then traded; and (B) there is no Market Disruption Event. If the Ordinary Shares are not so listed or traded, then "Trading Day" means a Business Day.

"**Transaction Expenses**" means any fees or expenses incurred or paid by the Company or any of its Subsidiaries in connection with the SPAC Transactions, this Indenture, the Subscription Agreement and the Security Documents, and the transactions contemplated hereby and thereby, including any amortization of such fees and expenses in any period.

"**Transfer-Restricted Security**" means any Security that constitutes a "restricted security" (as defined in Rule 144); *provided*, *however*, that such Security will cease to be a Transfer-Restricted Security upon the earliest to occur of the following events:

(A) such Security is sold or otherwise transferred to a Person (other than the Company or an Affiliate of the Company) pursuant to a Shelf Registration Statement that was effective under the Securities Act at the time of such sale or transfer;

(B) such Security is sold or otherwise transferred to a Person (other than the Company or an Affiliate of the Company) pursuant to an available exemption (including Rule 144) from the registration and prospectus-delivery requirements of, or in a transaction not subject to, the Securities Act and, immediately after such sale or transfer, such Security ceases to constitute a "restricted security" (as defined in Rule 144); and

(C) such Security is eligible for resale, by a Person that is not an Affiliate of the

Company and that has not been an Affiliate of the Company during the immediately preceding three (3) months, pursuant to Rule 144 without any limitations thereunder as to volume, manner of sale, availability of current public information or notice.

The Trustee is under no obligation to determine whether any Security is a Transfer-Restricted Security and may conclusively rely on an Officer's Certificate with respect thereto.

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for Redemption or repurchase, as applicable, (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date or Fundamental Change Repurchase Date, as applicable, to the second anniversary of the Issue Date; *provided, however*, that if such period is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Company shall obtain the Treasury Rate by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date or Fundamental Change Repurchase Date, as applicable, to the second anniversary of the Issue Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used. The Company will (a) calculate the Treasury Rate on the second Business Day preceding the applicable Redemption Date or Fundamental Change Repurchase Date (or date of deposit in the case of a satisfaction and discharge) and (b) prior to such Redemption Date or Fundamental Change Repurchase Date, as applicable, file with the Trustee an Officer's Certificate setting forth the Make-Whole Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

"**Trust Indenture Act**" means the U.S. Trust Indenture Act of 1939, as amended.

"**Trustee**" means the Person named as such in the first paragraph of this Indenture in its capacity as such until a successor replaces it in accordance with the provisions of this Indenture and, thereafter, means such successor.

"**UCC**" means the Uniform Commercial Code (or any successor statute), as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the issue or perfection of security interests.

"**Unfunded Holdbacks**" means, with respect to any acquisition or investment, all purchase price holdbacks (not deposited in an escrow account) and similar consideration, whether or not contingent, that is not due and payable to the sellers (or similar counterparty or beneficiary) in such investment or acquisition transaction as of the date of consummation thereof, but instead is (or may become) due and payable only after such date of consummation.

"**Unrestricted Subsidiary**" means:

(a) any Subsidiary of the Company which at the time of determination is an Unrestricted Subsidiary (as designated by the Company, as provided below); and

(b) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of the Company (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Company or any Subsidiary of the Company (other than solely any Subsidiary of the Subsidiary to be so designated).

The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, (i) no Event of Default shall have occurred and be continuing and (ii) (x) any outstanding Indebtedness of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under **Section 3.08** hereof and shall be deemed to be incurred thereunder and (y) all Liens encumbering the assets of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under **Section 3.09** hereof and shall be deemed to be incurred thereunder, in each case calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period.

Any such designation by the Company shall be notified by the Company to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"**VWAP Market Disruption Event**" means, with respect to any date, (A) the failure by the principal U.S. national or regional securities exchange on which the Ordinary Shares are then listed, or, if the Ordinary Shares are not then listed on a U.S. national or regional securities exchange, the principal other market on which the Ordinary Shares are then traded, to open for trading during its regular trading session on such date; or (B) the occurrence or existence, for more than one half hour period in the aggregate, of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in the Ordinary Shares or in any options contracts or futures contracts relating to the Ordinary Shares, and such suspension or limitation occurs or exists at any time before 1:00 p.m., New York City time, on such date.

"**VWAP Trading Day**" means a day on which (A) there is no VWAP Market Disruption Event; and (B) trading in the Ordinary Shares generally occurs on the principal U.S. national or regional securities exchange on which the Ordinary Shares are then listed or, if the Ordinary Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Ordinary Shares are then traded. If the Ordinary Shares are not so listed or traded, then "VWAP Trading Day" means a Business Day.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock *multiplied by* the

amount of such payment; by

(b) the sum of all such payments;

provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"**Wholly Owned Subsidiary**" of a Person means any Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) are owned by such Person or one or more Wholly Owned Subsidiaries of such Person.

SECTION 1.02. OTHER DEFINITIONS.

Term	Defined in Section
"**Additional Amounts**"	**3.14**
"Business Combination Event"	**6.01(A)**
"**Change in Tax Law**"	**4.04(A)**
"Conversion Agent"	**2.06(A)**
"Conversion Consideration"	**5.03(B)**
"Default Interest"	**2.05(B)**
"Defaulted Amount"	**2.05(D)**
"Event of Default"	**7.01(A)**
"Expiration Date"	**5.05(A)(v)**
"Expiration Time"	**5.05(A)(v)**
"FATCA"	**3.14**
"Fractional Ordinary Share"	**5.03(B)(ii)**
"Fundamental Change Notice"	**4.02(E)**
"Fundamental Change Repurchase Right"	**4.02(A)**
	9.01(A)(ii)Section
"Guaranteed Obligations"	**9.01(A)(ii)**
"Guarantor Business Combination Event"	**Section 9.04(A)**
"Initial Notes"	**2.03(A)**
"Notice of Conversion"	**5.02(A)**
"Ordinary Shares Change Event"	**5.09(A)**
"Paying Agent"	**2.06(A)**
"Redemption Notice"	**4.03(F)**
"Relevant Jurisdiction"	**3.14**
"Reference Property"	**5.09(A)**
"Reference Property Unit"	**5.09(A)**
"Register"	**2.06(B)**
"Registrar"	**2.06(A)**
"Reporting Event of Default"	**7.03(A)**
"Specified Courts"	**13.07**
"Spin-Off"	**5.05(A)(iii)(2)**

"Spin-Off Valuation Period"	**5.05(A)(iii)(2)**
"Stated Interest"	**2.05(A)**
"Successor Corporation"	**6.01(A)**
"Successor Person"	**5.09(A)**
"Tender/Exchange Offer Valuation Period"	**5.05(A)(v)**

SECTION 1.03. RULES OF CONSTRUCTION.

For purposes of this Indenture:

(A) "or" is not exclusive;

(B) "including" means "including without limitation";

(C) "will" expresses a command;

(D) the "average" of a set of numerical values refers to the arithmetic average of such numerical values;

(E) words in the singular include the plural and in the plural include the singular, unless the context requires otherwise;

(F) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision of this Indenture, unless the context requires otherwise;

(G) references to currency mean the lawful currency of the United States of America, unless the context requires otherwise;

(H) the exhibits, schedules and other attachments to this Indenture are deemed to form part of this Indenture; and

(I) the term "**interest**," when used with respect to a Note, includes any Special Interest, unless the context requires otherwise.

SECTION 1.04. [RESERVED]

SECTION 1.05. LIMITED CONDITION TRANSACTIONS.

When calculating the availability under any basket or ratio under this Indenture or compliance with any provision of this Indenture in connection with any Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales), in each case, at the option of the Company (the Company's election to exercise such option, an "**LCT Election**"), the date of determination for availability under any such basket or ratio and whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing Default or Event of Default)) under this Indenture

shall be deemed to be the date (the "**LCT Test Date**") the definitive agreements for such Limited Condition Transaction are entered into (or, if applicable, the date of delivery of an irrevocable notice, declaration of a Restricted Payment, the making of a Restricted Payment or similar event), in each case, if, after giving pro forma effect to the Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales) and any related pro forma adjustments (disregarding for the purposes of such pro forma calculation any borrowing under any revolving credit facility) and at the election of the Company, any other acquisition or similar Investment, Restricted Payment or Asset Sale that has not been consummated but with respect to which the Company has elected to test any applicable condition prior to the date of consummation in accordance with this paragraph, as if they had occurred at the beginning of the most recently completed four fiscal quarter period, the Company or any of its Restricted Subsidiaries could have taken such actions or consummated such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued or incurred at the LCT Test Date or at any time thereafter); *provided* that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Company may elect, in its sole discretion, to redetermine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date for purposes of such ratios, tests or baskets and (b) except as contemplated in the foregoing clause (a), compliance with such ratios, tests or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales).

For the avoidance of doubt, if the Company has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in total assets of the Company or the Person subject to such Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations (provided, for the avoidance of doubt, that the Company or any Restricted Subsidiary may rely upon any improvement in any such ratio, test or basket availability); (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of a Default or an Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive

agreement or date for redemption, purchase or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of debt and the use of proceeds thereof (but without netting the cash proceeds thereof)) had been consummated.

Article 2. THE NOTES

SECTION 2.01. FORM, DATING AND DENOMINATIONS.

The Notes and the Trustee's certificate of authentication will be substantially in the form set forth in **Exhibit A**. The Notes will bear the legends required by **Section 2.09** and may bear notations, legends or endorsements required by law, stock exchange rule or usage or the Applicable Procedures. Each Note will be dated as of the date of its authentication.

The Notes will be issued initially in the form of one or more Global Notes, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Common Depositary, and registered in the name of the Common Depositary or its nominee, as the case may be, for the accounts of Euroclear or Clearstream, duly executed by the Issuer and authenticated by the Trustee (or an Authenticating Agent appointed by the Trustee in accordance with **Section 2.02**) as hereinafter provided. The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made by the Registrar on the Schedule of Principal Amount to the Global Note and recorded in the Register, as required by **Section 2.06** hereof.

Global Notes may be exchanged for Physical Notes, and Physical Notes may be exchanged for Global Notes, only as provided in **Section 2.10**.

The Notes will be issuable only in registered form without interest coupons and only in Authorized Denominations. For the avoidance of doubt Euroclear and Clearstream are not required

to monitor or enforce the Authorized Denominations.

Each certificate representing a Note will bear a unique registration number that is not affixed to any other certificate representing another outstanding Note.

Members of, or participants and account holders in, Euroclear and Clearstream ("**Participants**") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Common Depositary or by the Trustee nor rights under such Global Note, and the Common Depositary or its nominee (as the case may be) may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the sole owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by Euroclear or Clearstream or impair, as between Euroclear and Clearstream and the Participants (as applicable), the operation of customary practices of such persons governing the exercise of the rights of a holder of a Book-Entry Interest in any Global Note.

Subject to the provisions of this **Section 2.01**, the registered holder of a Global Note may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action that a holder of a Book-Entry Interest in such Global Note is entitled to take under this Indenture or the Notes.

The Applicable Procedures shall be applicable to Book-Entry Interests in the Global Notes that are held by Participants through Euroclear or Clearstream.

The terms contained in the Notes constitute part of this Indenture, and, to the extent applicable, the Company, the Trustee and the Collateral Agent, by their execution and delivery of this Indenture, agree to such terms and to be bound thereby; *provided*, *however*, that, to the extent that any provision of any Note conflicts with the provisions of this Indenture, the provisions of this Indenture will control for purposes of this Indenture and such Note.

SECTION 2.02. EXECUTION, AUTHENTICATION AND DELIVERY.

(A) *Due Execution by the Company*. At least one (1) duly authorized Officer will sign the Notes on behalf of the Company by manual, electronic (e.g., ".pdf") or facsimile signature. A Note's validity will not be affected by the failure of any Officer whose signature is on any Note to hold, at the time such Note is authenticated, the same or any other office at the Company.

(B) *Authentication by the Trustee and Delivery*.

(i) No Note will be valid until it is authenticated by the Trustee. A Note will be deemed to be duly authenticated only when an authorized signatory of the Trustee (or a duly appointed authenticating agent) manually signs the certificate of authentication of such Note.

(ii) The Trustee will cause an authorized signatory of the Trustee (or a duly appointed authenticating agent) to manually sign the certificate of authentication of a Note only if (1) the Company delivers such Note to the Trustee; (2) such Note is executed by the Company in accordance with **Section 2.02(A)**; and (3) the Company delivers a Company Order to the Trustee that (a) requests the Trustee to authenticate such Note; and (b) sets forth the name of the Holder of such Note and the date as of which such Note is to be authenticated. If such Company Order also requests the Trustee to deliver such Note to any Holder or to the Common Depositary, then the Trustee will promptly deliver such Note in accordance with such Company Order.

(iii) The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. A duly appointed authenticating agent may authenticate Notes whenever the Trustee may do so under this Indenture, and a Note authenticated as provided in this Indenture by such an agent will be deemed, for purposes of this Indenture, to be authenticated by the Trustee. Each duly appointed authenticating agent will have the same rights to deal with the Company as the Trustee would have if it were performing the duties that the authentication agent was validly appointed to undertake.

SECTION 2.03. INITIAL NOTES AND ADDITIONAL NOTES.

(A) *Initial Notes*. On the Issue Date, there will be originally issued two hundred million dollars (US$200,000,000) aggregate principal amount of Notes, subject to the provisions of this Indenture (including **Section 2.02**). Notes issued pursuant to this **Section 2.03(A)**, and any Notes issued in exchange therefor or in substitution thereof, are referred to in this Indenture as the "**Initial Notes**."

(B) *Additional Notes*. With the consent of a majority of the Holders, the Company may, subject to the provisions of this Indenture (including **Section 2.02**), issue additional Notes (for the avoidance of doubt, no such consent shall be required for PIK Notes) with the same terms as the Initial Notes (except, to the extent applicable, with respect to the date as of which interest begins to accrue on such additional Notes and the first Interest Payment Date of such additional Notes), which additional Notes will, subject to the foregoing, be considered to be part of the same series of, and rank equally and ratably with all other, Notes issued under this Indenture; *provided*, *however*, that if any such additional Notes are not fungible with other Notes issued under this Indenture for U.S. federal income tax or U.S. federal securities laws purposes, then such additional Notes will be identified by a separate CUSIP, ISIN or Common Code numbers or by no CUSIP, ISIN or Common Code numbers.

(C) *PIK Notes*. If the Company elects to pay PIK Interest in respect of the Notes as set forth in **Section 2.05** below, the Company may elect on or prior to the Interest Payment Date immediately preceding the relevant Interest Period (subject to the restrictions described in the form of Notes in **Exhibit A**) to either increase the outstanding nominal amount (value) of the Notes (if the Notes are held in registered form) or (if approved by the Trustee in its sole discretion) issue additional Notes and increase the principal amount outstanding (if the Notes are held in certificated form) (the "**PIK Notes**") under this Indenture having the same terms as the Notes (in each case, a "**PIK Payment**"). Any PIK Notes will, be considered to be part of the same series of, and rank equally and ratably with all other, Notes issued under this Indenture.

SECTION 2.04. METHOD OF PAYMENT.

(A) *Global Notes*. The Company will pay, or cause the Paying Agent to pay, the principal (whether due upon maturity on the Maturity Date, Redemption on a Redemption Date or Tax Redemption on a Tax Redemption Date or repurchase on a Fundamental Change Repurchase Date or otherwise) of, interest on, and any cash Conversion Consideration for, any Global Note to the Common Depositary as the registered Holder of such Global Note, by wire transfer of immediately available funds no later than the time the same is due as provided in this Indenture.

(B) *Physical Notes*. The Company will pay, or cause the Paying Agent to pay, the principal (whether due upon maturity on the Maturity Date, Redemption on a Redemption Date or Tax Redemption on a Tax Redemption Date or repurchase on a Fundamental Change Repurchase Date or otherwise) of, interest on, and any cash Conversion Consideration due upon conversion of, any Physical Note no later than the time the same is due as provided in this Indenture as follows: (i) if the principal amount of such Physical Note is at least five million dollars (US$5,000,000) (or such lower amount as the Company may choose in its sole and absolute discretion) and the Holder of such Physical Note entitled to such payment has delivered to the Paying Agent or the Trustee,

no later than the time set forth in the immediately following sentence, a written request that the Company (or the Paying Agent) make such payment by wire transfer to an account of such Holder within the United States, by wire transfer of immediately available funds to such account; and (ii) in all other cases, by check mailed to the address of the Holder of such Physical Note entitled to such payment as set forth in the Register. To be timely, such written request must be so delivered no later than the Close of Business on the following date: (x) with respect to the payment of any interest due on an Interest Payment Date, the immediately preceding Regular Record Date; and (y) with respect to any other payment, the date that is fifteen (15) calendar days immediately before the date such payment is due.

SECTION 2.05. ACCRUAL OF INTEREST; DEFAULTED AMOUNTS; WHEN PAYMENT DATE IS NOT A BUSINESS DAY.

(A) *Accrual of Interest*.

(i) Each Note will accrue interest at a rate per annum equal to seven percent (7.00%) with respect to interest paid in cash ("**Cash Interest**") and nine percent (9.00%) with respect to PIK Interest (together with the Cash Interest as the interest rate selected by the Company for any Interest Period, the "**Stated Interest**"), plus Special Interest on the Notes, if any, that may accrue pursuant to **Section 7.03**. Stated Interest on each Note will (i) accrue from, and including, the most recent date to which Stated Interest has been paid or duly provided for (or, if no Stated Interest has theretofore been paid or duly provided for, the date set forth in the certificate representing such Note as the date from, and including, which Stated Interest will begin to accrue in such circumstance) to, but excluding, the date of payment of such Stated Interest; and (ii) be, subject to **Sections 4.02(D)**, **4.03(E)** and **5.02(D)** (but without duplication of any payment of interest), payable semi-annually in arrears on each Interest Payment Date, beginning on the first Interest Payment Date set forth in the certificate representing such Note, to the Holder of such Note as of the Close of Business on the immediately preceding Regular Record Date. Stated Interest, and, if applicable, Special Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(ii) The Company shall elect on each Interest Payment Date, by notice to the Trustee, whether interest for the immediately following Interest Period shall be Cash Interest or PIK Interest (and not a combination thereof); *provided* that if the Company does not timely elect the form of interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to timely make such election will not constitute a Default or Event of Default).

(B) *Cash Interest.*

(i) All accrued and unpaid Cash Interest on the Notes for the relevant Interest Period shall be paid in cash on the related Interest Payment Date.

(ii) The Company shall determine on each Interest Payment Date to pay Cash Interest or PIK Interest, and in the case of Cash Interest, to pay cash for the immediately following Interest Period; *provided* that if the Company does not timely elect the form of

interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to timely make such election will not constitute a Default or Event of Default).

(C) *PIK Interest*.

(i) Any PIK Interest on the Notes will be payable to Holders and (x) with respect to the Notes represented by one or more Global Notes registered in the name of, or held by, the Common Depositary or its nominee on the relevant Regular Record Date, by increasing the nominal amount (value) of the outstanding Notes by an amount equal to the amount of PIK Interest for the applicable Interest Period (rounded up to the nearest whole dollar). The principal amount outstanding will remain unchanged and any Cash Interest or PIK Interest will be calculated on the nominal amount outstanding; being the aggregate principal amount outstanding of $200,000,000 plus any cumulative PIK Interest.

(ii) The Trustee and Common Depositary (for registered notes only) will, upon receipt of an Authentication Order from the Company, record such increase in nominal amount outstanding which will be reflected by marking up the current pool factor (nominal amount outstanding divided by principal amount outstanding) and (y) with respect to Notes represented by certificated Notes held outside of Euroclear and/or Clearstream, by increasing both the principal amount outstanding and nominal amount outstanding of such Notes on the books and records of the Registrar (or, in the Trustee's sole discretion, by issuing PIK Notes in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the applicable Interest Period) (rounded up to the nearest whole dollar), and the Trustee will, upon receipt of an Authentication Order and PIK Notes from the Company, increase the principal amount outstanding (the number of bonds issued) of the certificated notes on the books and records of the Registrar (or, in the Trustee's sole discretion, authenticate and deliver such PIK Notes in certificated form for original issuance) to the Holders as of the relevant record date, as shown by the records of the Register.

(iii) Following an increase in the principal amount of the outstanding Notes (where Notes are held in certificated form) or nominal amount of the outstanding Notes (where Notes are held in global form) as a result of a PIK Payment, the Notes will bear interest on such increased principal amount or nominal amount (as the case may be) from and after the date of such PIK Payment. Any PIK Notes issued in certificated form will be distributed to Holders, will be dated as of the applicable Interest Payment Date and will bear interest from and after such date. All Notes issued pursuant to a PIK Payment will mature on the Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Notes issued on the Issue Date.

(iv) If the Company pays a portion of the interest on the Notes in cash and a portion as PIK Interest, such cash and PIK Interest shall be paid to Holders pro rata in accordance with their interests.

(v) Notwithstanding anything to the contrary in this Indenture or the Notes, the payment of accrued and unpaid interest in connection with any repurchase of the Notes as described **Article 4** of this Indenture and on the Maturity Date shall be made solely in cash.

(D) *Defaulted Amounts*. If the Company fails to pay any amount (a "**Defaulted Amount**") payable on a Note on or before the due date therefor as provided in this Indenture, then, regardless of whether such failure constitutes an Event of Default, (i) such Defaulted Amount will forthwith cease to be payable to the Holder of such Note otherwise entitled to such payment; (ii) to the extent lawful, interest ("**Default Interest**") will accrue on such Defaulted Amount at a rate per annum equal to the rate per annum at which Stated Interest for the applicable Interest Period accrues plus 100 basis points, from, and including, such due date to, but excluding, the date of payment of such Defaulted Amount and Default Interest; (iii) such Defaulted Amount and Default Interest then due thereon will be paid on a payment date selected by the Company to the Holder of such Note as of the Close of Business on a special record date selected by the Company, *provided* that such special record date must be no more than fifteen (15), nor less than ten (10), calendar days before such payment date; and (iv) at least fifteen (15) calendar days before such special record date, the Company will send notice to the Trustee and the Holders that states such special record date, such payment date and the amount of such Defaulted Amount and Default Interest then due thereon to be paid on such payment date.

(E) a merger involving, or a transfer of assets by, a limited liability company, limited partnership or trust will be deemed to include any division of or by, or an allocation of assets to a series of, such limited liability company, limited partnership or trust, or any unwinding of any such division or allocation;

(F) In addition to Default Interest, (but without duplication thereof) upon the occurrence and during the continuance of an Event of Default other than a Reporting Event of Default, to the extent lawful, interest on the Notes will accrue at a rate per annum equal to the rate per annum at which Stated Interest for the applicable Interest Period accrues plus 200 basis points, from, and including, the date that such Event of Default occurred to, but excluding, the date that such Event of Default has been cured.

(G) *Delay of Payment when Payment Date is Not a Business Day*. If the due date for a payment on a Note as provided in this Indenture is not a Business Day, then, notwithstanding anything to the contrary in this Indenture or the Notes, such payment may be made on the immediately following Business Day and no interest will accrue on such payment as a result of the related delay. Solely for purposes of the immediately preceding sentence, a day on which the applicable place of payment is authorized or obligated by law, regulation or executive order to close or be closed will be deemed not to be a "Business Day."

(H) On or prior to each Interest Payment Date, the Company shall deliver a written notice to the Holders, the Trustee, the Paying Agent and the Conversion Agent for the succeeding Interest Period. Such notice shall include:

(i) whether the Company will pay Cash Interest or PIK Interest and a reasonably detailed calculation thereof; and

(ii) any other information that may be reasonably requested by the Trustee or a Paying Agent in connection with the foregoing;

provided that if the Company does not timely elect the form of interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to provide such notice will not constitute a Default or Event of Default).

SECTION 2.06. REGISTRAR, PAYING AGENT AND CONVERSION AGENT.

(A) *Generally*. The Company will maintain (i) an office or agency where Notes may be presented for registration of transfer or for exchange (the "**Registrar**"); (ii) an office or agency where Notes may be presented for payment (the "**Paying Agent**"); and (iii) an office or agency where Notes may be presented for conversion (the "**Conversion Agent**"). The Company hereby designates the Corporate Trust Office of the Paying Agent, Registrar and Trustee as such offices. If the Company fails to maintain a Registrar, Paying Agent or Conversion Agent, then the Trustee will act as such and will receive compensation therefor in accordance with this Indenture and other agreement to be agreed between the Trustee and the Company. For the avoidance of doubt, the Company or any of its Subsidiaries may act as Registrar, Paying Agent or Conversion Agent.

(B) *Duties of the Registrar*. The Registrar will keep a record (the "**Register**") of the names and addresses of the Holders, the Notes held by each Holder and the transfer, exchange, repurchase, Redemption and conversion of Notes. Absent manifest error, the entries in the Register will be conclusive and the Company and the Trustee may treat each Person whose name is recorded as a Holder in the Register as a Holder for all purposes. The Register will be in written form or in any form capable of being converted into written form reasonably promptly. In all cases the Register shall be held, and the Registrar shall operate outside of the United Kingdom.

(C) *Co-Agents; Company's Right to Appoint Successor Registrars, Paying Agents and Conversion Agents*. The Company may appoint one or more co-Registrars, co-Paying Agents and co-Conversion Agents, each of whom will be deemed to be a Registrar, Paying Agent or Conversion Agent, as applicable, under this Indenture. Subject to **Section 2.06(A)**, the Company may change any Registrar, Paying Agent or Conversion Agent (including appointing itself or any of its Subsidiaries to act in such capacity) without notice to any Holder. The Company will notify the Trustee (and, upon request, any Holder) of the name and address of each Note Agent, if any, not a party to this Indenture and will enter into an appropriate agency agreement with each such Note Agent, which agreement will implement the provisions of this Indenture that relate to such Note Agent.

(D) *Initial Appointments*. The Company appoints the Trustee as the initial Paying Agent, the initial Registrar and the initial Conversion Agent. In acting in such capacities under this Indenture and in connection with the Notes, the Trustee in such capacities will act solely as an agent of the Company and will not thereby assume any obligations towards, or relationship of agency or trust for or with, any Holder.

SECTION 2.07. PAYING AGENT AND CONVERSION AGENT TO HOLD PROPERTY IN TRUST.

The Company will require each Paying Agent or Conversion Agent that is not the Trustee

to agree in writing that such Note Agent will (A) hold in trust for the benefit of Holders or the Trustee all money and other property held by such Note Agent for payment or delivery due on the Notes; and (B) notify the Trustee in writing of any default by the Company in making any such payment or delivery. The Company, at any time, may, and the Trustee, while any Default continues, may, require a Paying Agent or Conversion Agent to pay or deliver, as applicable, all money and other property held by it to the Trustee, after which payment or delivery, as applicable, such Note Agent (if not the Company or any of its Subsidiaries) will have no further liability for such money or property. If the Company or any of its Subsidiaries acts as Paying Agent or Conversion Agent, then (A) it will segregate and hold in a separate trust fund for the benefit of the Holders or the Trustee all money and other property held by it as Paying Agent or Conversion Agent; and (B) references in this Indenture or the Notes to the Paying Agent or Conversion Agent holding cash or other property, or to the delivery of cash or other property to the Paying Agent or Conversion Agent, in each case for payment or delivery to any Holders or the Trustee or with respect to the Notes, will be deemed to refer to cash or other property so segregated and held separately, or to the segregation and separate holding of such cash or other property, respectively. Upon the occurrence of any event pursuant to **clause (viii)** or **(xi)** of **Section 7.01(A)** with respect to the Company (or with respect to any Subsidiary of the Company acting as Paying Agent or Conversion Agent), the Trustee will serve as the Paying Agent or Conversion Agent, as applicable, for the Notes.

SECTION 2.08. HOLDER LISTS.

If the Trustee is not the Registrar, the Company will furnish to the Trustee, no later than seven (7) Business Days before each Interest Payment Date and at such other times as the Trustee may request, a list, in such form and as of such date or time as the Trustee may reasonably require, of the names and addresses of the Holders.

SECTION 2.09. LEGENDS.

(A) *Global Note Legend*. Each Global Note will bear the Global Note Legend (or any similar legend, not inconsistent with this Indenture, required by the Common Depositary for such Global Note).

(B) *Non-Affiliate Legend*. Each Note will bear the Non-Affiliate Legend.

(C) *Restricted Note Legend*.

(i) Each Note that is a Transfer-Restricted Security will bear the Restricted Note Legend; and

(ii) If a Note is issued in exchange for, in substitution of, or to effect a partial conversion of, another Note (such other Note being referred to as the "old Note" for purposes of this **Section 2.09(C)(ii)**), including pursuant to Section **2.10(B)**, **2.10(C)**, **2.11** or **2.13**, then such Note will bear the Restricted Note Legend if such old Note bore the Restricted Note Legend at the time of such exchange or substitution, or on the related Conversion Date with respect to such conversion, as applicable; *provided*, *however*, that such Note need not bear the Restricted Note Legend if such Note does not constitute a

Transfer-Restricted Security immediately after such exchange or substitution, or as of such Conversion Date, as applicable.

(D) *Other Legends*. A Note may bear any other legend or text, not inconsistent with this Indenture, as may be required by applicable law or by any securities exchange or automated quotation system on which such Note is traded or quoted.

(E) *Acknowledgment and Agreement by the Holders*. A Holder's acceptance of any Note bearing any legend required by this **Section 2.09** will constitute such Holder's acknowledgment of, and agreement to comply with, the restrictions set forth in such legend.

(F) Restricted *Share* Legend.

(i) Each Conversion Share will bear the Restricted Share Legend if the Note upon the conversion of which such Conversion Share was issued was (or would have been had it not been converted) a Transfer-Restricted Security at the time such Conversion Share was issued; *provided*, *however*, that such Conversion Share need not bear the Restricted Share Legend if the Company determines, in its reasonable discretion, that such Conversion Share need not bear the Restricted Share Legend.

(ii) Notwithstanding anything to the contrary in this **Section 2.09(F)**, a Conversion Share need not bear a Restricted Share Legend if such Conversion Share is issued in an uncertificated form that does not permit affixing legends thereto, *provided* the Company takes measures (including the assignment thereto of a "restricted" ISIN number) that it reasonably deems appropriate to enforce the transfer restrictions referred to in the Restricted Share Legend.

SECTION 2.10. TRANSFERS AND EXCHANGES; CERTAIN TRANSFER RESTRICTIONS.

(A) *Provisions Applicable to All Transfers and Exchanges*.

(i) Subject to this **Section 2.10**, Physical Notes and beneficial interests in Global Notes may be transferred or exchanged from time to time. The Registrar will record each such transfer or exchange of Physical Notes in the Register. Book-Entry Interests in Global Notes will be transferred or exchanged in accordance with the Applicable Procedures by Euroclear or Clearstream.

(ii) Each Note issued upon transfer or exchange of any other Note (such other Note being referred to as the "old Note" for purposes of this **Section 2.10(A)(ii)**) or portion thereof in accordance with this Indenture will be the valid obligation of the Company, evidencing the same indebtedness, and entitled to the same benefits under this Indenture, as such old Note or portion thereof, as applicable.

(iii) The Company, the Guarantors, the Trustee and the Note Agents will not impose any service charge on any Holder for any transfer, exchange or conversion of Notes, but the Company, the Guarantors, the Trustee, the Registrar and the Conversion Agent may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of

Notes, other than exchanges pursuant to **Section 2.11**, **2.17** or **8.05** not involving any transfer.

(iv) Notwithstanding anything to the contrary in this Indenture or the Notes, a Note may not be transferred or exchanged in part unless the portion to be so transferred or exchanged is in an Authorized Denomination.

(v) The Trustee will have no obligation or duty to monitor, determine or inquire as to compliance with any transfer restrictions imposed under this Indenture or applicable law with respect to any Security, other than to require the delivery of such certificates or other documentation or evidence as expressly required by this Indenture and to examine the same to determine substantial compliance as to form with the requirements of this Indenture.

(vi) The Trustee will have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in, the Common Depositary or other Person with respect to the accuracy of the records of the Common Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Common Depositary) of any notice (including any notice of Redemption or repurchase) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All payments to be made to Holders in respect of the Notes will be given or made only to or upon the order of the registered Holders (which is the Common Depositary or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note will be exercised only through the Common Depositary subject to the Applicable Procedures. The Trustee may rely and will be fully protected in relying upon information furnished by the Common Depositary with respect to its members, participants and any beneficial owners.

(vii) Each Note issued upon transfer of, or in exchange for, another Note will bear each legend, if any, required by **Section 2.09**.

(viii) Upon satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Note, the Company will cause such transfer or exchange to be effected as soon as reasonably practicable but in no event later than the second (2nd) Business Day after the date of such satisfaction.

(ix) For the avoidance of doubt, and subject to the terms of this Indenture, as used in this **Section 2.10**, an "exchange" of a Global Note or a Physical Note includes (x) an exchange effected for the sole purpose of removing any Restricted Note Legend affixed to such Global Note or Physical Note; and (y) if such Global Note or Physical Note is identified by a "restricted" ISIN number, an exchange effected for the sole purpose of causing such Global Note or Physical Note to be identified by an "unrestricted" ISIN number.

(x) Neither the Trustee nor any Note Agent will have any responsibility for any action taken or not taken by the Common Depositary.

(B) *Transfers and Exchanges of Global Notes.*

(i) Transfers of Book-Entry Interests between Participants shall be effected by Euroclear or Clearstream, as applicable, in each case pursuant to the Applicable Procedures. No Global Note (or any portion thereof) may be transferred to, or exchanged for, a Physical Note; *provided*, *however*, that a Global Note will be exchanged, pursuant to customary procedures, for one or more Physical Notes if:

(1) Euroclear or Clearstream notifies the Issuer that they are unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) an Event of Default has occurred and is continuing and the Company, the Trustee or the Registrar has received a written request from the Common Depositary, or from a holder of a Book-Entry Interest in such Global Note, to exchange such Global Note or Book-Entry Interest, as applicable, for one or more Physical Notes;

(3) the Company, in its sole discretion, permits the exchange of any Book-Entry Interest in such Global Note for one or more Physical Notes at the request of the owner of such Book-Entry Interest.

(ii) Upon satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Global Note (or any portion thereof):

(1) the Trustee will reflect any resulting decrease of the principal amount of such Global Note by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note (and, if such notation results in such Global Note having a principal amount of zero, the Company may (but is not required to) instruct the Trustee in writing to cancel such Global Note pursuant to **Section 2.15**);

(2) if required to effect such transfer or exchange, then the Trustee will reflect any resulting increase of the principal amount of any other Global Note by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such other Global Note;

(3) if required to effect such transfer or exchange, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a new Global Note bearing each legend, if any, required by **Section 2.09**; and

(4) if such Global Note (or such portion thereof), or any Book-Entry Interest therein, is to be exchanged for one or more Physical Notes, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such Global Note to be so exchanged; (y) are registered in such

name(s) as the Common Depositary specifies (or as otherwise determined pursuant to customary procedures); and (z) bear each legend, if any, required by **Section 2.09**.

(iii) Each transfer or exchange of a Book-Entry Interest in any Global Note will be made in accordance with the Applicable Procedures.

(C) *Transfers and Exchanges of Physical Notes.*

(i) Subject to this **Section 2.10**, a Holder of a Physical Note may (x) transfer such Physical Note (or any portion thereof in an Authorized Denomination) to one or more other Person(s); (y) exchange such Physical Note (or any portion thereof in an Authorized Denomination) for one or more other Physical Notes in Authorized Denominations having an aggregate principal amount equal to the aggregate principal amount of the Physical Note (or portion thereof) to be so exchanged; and (z) if then permitted by the Applicable Procedures, transfer such Physical Note (or any portion thereof in an Authorized Denomination) in exchange for a Book-Entry Interest in one or more Global Notes; *provided*, *however*, that, to effect any such transfer or exchange, such Holder must:

(1) surrender such Physical Note to be transferred or exchanged to the office of the Registrar, together with any endorsements or transfer instruments reasonably required by the Company, the Trustee or the Registrar; and

(2) deliver such certificates, documentation or evidence as may be required pursuant to **Section 2.10(D)**.

(ii) Upon the satisfaction of the requirements of this Indenture to effect a transfer or exchange of any Physical Note (such Physical Note being referred to as the "old Physical Note" for purposes of this **Section 2.10(C)(ii)**) of a Holder (or any portion of such old Physical Note in an Authorized Denomination):

(1) such old Physical Note will be promptly cancelled pursuant to **Section 2.15**;

(2) if such old Physical Note is to be so transferred or exchanged only in part, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such old Physical Note not to be so transferred or exchanged; (y) are registered in the name of such Holder; and (z) bear each legend, if any, required by **Section 2.09**;

(3) in the case of a transfer:

(a) to the Common Depositary or a nominee thereof that will hold its interest in such old Physical Note (or such portion thereof) to be so transferred in the form of one or more Global Notes, the Trustee will reflect an increase of the principal amount of one or more existing Global Notes

by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note(s), which increase(s) are in Authorized Denominations and aggregate to the principal amount to be so transferred, and which Global Note(s) bear each legend, if any, required by **Section 2.09**; *provided*, *however*, that if such transfer cannot be so effected by notation on one or more existing Global Notes (whether because no Global Notes bearing each legend, if any, required by **Section 2.09** then exist, because any such increase will result in any Global Note having an aggregate principal amount exceeding the maximum aggregate principal amount permitted by the Common Depositary or otherwise), then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Global Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so transferred; and (y) bear each legend, if any, required by **Section 2.09**; and

(b) to a transferee that will hold its interest in such old Physical Note (or such portion thereof) to be so transferred in the form of one or more Physical Notes, the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so transferred; (y) are registered in the name of such transferee; and (z) bear each legend, if any, required by **Section 2.09**; and

(4) in the case of an exchange, the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount to be so exchanged; (y) are registered in the name of the Person to whom such old Physical Note was registered; and (z) bear each legend, if any, required by **Section 2.09**.

(D) *Requirement to Deliver Documentation and Other Evidence*. If a Holder of any Note that is identified by a "restricted" ISIN or that bears a Restricted Note Legend or is a Transfer-Restricted Security requests to:

(i) remove such Restricted Note Legend; or

(ii) register the transfer of such Note to the name of another Person,

then the Company, the Guarantors, the Trustee and the Registrar may refuse to effect such identification, removal or transfer, as applicable, unless there is delivered to the Company, the Guarantors, the Trustee and the Registrar such certificates or other documentation or evidence as the Company, the Guarantors, the Trustee and the Registrar may reasonably require to determine that such identification, removal or transfer, as applicable, complies with the Securities Act and other applicable securities laws.

(E) *Transfers of Notes Subject to Redemption, Repurchase or Conversion*. Notwithstanding anything to the contrary in this Indenture or the Notes, the Company, the Guarantors, the Trustee and the Registrar may refuse to register the transfer of or exchange any Note that (i) has been surrendered for conversion; (ii) is subject to a Fundamental Change Repurchase Notice validly delivered, and not withdrawn, pursuant to **Section 4.02(F)**, except to the extent that the Company fails to pay the applicable Fundamental Change Repurchase Price when due; or (iii) has been selected for Redemption pursuant to a Redemption Notice, except to the extent that the Company fails to pay the applicable Redemption Price when due.

SECTION 2.11. EXCHANGE AND CANCELLATION OF NOTES TO BE CONVERTED OR TO BE REPURCHASED PURSUANT TO A REPURCHASE UPON FUNDAMENTAL CHANGE OR REDEMPTION.

(A) *Partial Conversions of Physical Notes and Partial Repurchases of Physical Notes Pursuant to a Repurchase Upon Fundamental Change or Redemption*. If only a portion of a Physical Note of a Holder is to be converted pursuant to **Article 5** or repurchased pursuant to a Repurchase Upon Fundamental Change or Redemption, then, as soon as reasonably practicable after such Physical Note is surrendered for such conversion, redemption or repurchase, as applicable, the Company will cause such Physical Note to be exchanged, pursuant and subject to **Section 2.10(C)**, for (i) one or more Physical Notes that are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such Physical Note that is not to be so converted, redeemed or repurchased, as applicable, and deliver such Physical Note(s) to such Holder; and (ii) a Physical Note having a principal amount equal to the principal amount to be so converted, redeemed or repurchased, as applicable, which Physical Note will be converted, redeemed or repurchased, as applicable, pursuant to the terms of this Indenture; *provided*, *however*, that the Physical Note referred to in this **clause (ii)** need not be issued at any time after which such principal amount subject to such conversion, redemption or repurchase, as applicable, is deemed to cease to be outstanding pursuant to **Section 2.18**.

(B) *Cancellation of Notes that Are Converted and Notes that Are Repurchased Pursuant to a Repurchase Upon Fundamental Change or Redemption*.

(i) *Physical Notes*. If a Physical Note (or any portion thereof that has not theretofore been exchanged pursuant to **Section 2.11(A)**) of a Holder is to be converted pursuant to **Article 5** or repurchased pursuant to a Repurchase Upon Fundamental Change or Redemption, then, promptly after the later of the time such Physical Note (or such portion) is deemed to cease to be outstanding pursuant to **Section 2.18** and the time such Physical Note is surrendered for such conversion or repurchase, as applicable, (1) such Physical Note will be cancelled pursuant to **Section 2.15**; and (2) in the case of a partial conversion, redemption or repurchase, as applicable, the Company will issue, execute and deliver to such Holder, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, one or more Physical Notes that (x) are in Authorized Denominations and have an aggregate principal amount equal to the principal amount of such Physical Note that is not to be so converted or repurchased, as applicable, taking any payments of PIK Interest into account; (y) are registered in the name of such Holder; and (z) bear each legend, if any, required by **Section 2.09**.

(ii) *Global Notes*. If a Global Note (or any portion thereof) is to be converted

pursuant to **Article 5** or repurchased pursuant to a Repurchase Upon Fundamental Change or Redemption, then, promptly after the time such Note (or such portion) is deemed to cease to be outstanding pursuant to **Section 2.18**, the Trustee will reflect a decrease of the principal amount of such Global Note in an amount equal to the principal amount of such Global Note to be so converted, redeemed or repurchased, as applicable, by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of such Global Note (and, if the principal amount of such Global Note is zero following such notation, cancel such Global Note pursuant to **Section 2.15**).

SECTION 2.12. [RESERVED.]

SECTION 2.13. REPLACEMENT NOTES.

If a Holder of any Note claims that such Note has been mutilated, lost, destroyed or wrongfully taken, then the Company will issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a replacement Note upon surrender to the Trustee of such mutilated Note, or upon delivery to the Trustee of evidence of such loss, destruction or wrongful taking reasonably satisfactory to the Trustee and the Company. In the case of a lost, destroyed or wrongfully taken Note, the Company and the Trustee may require the Holder thereof to provide such security or indemnity that is satisfactory to protect the Company, the Trustee and the Collateral Agent and that is satisfactory to the Trustee and the Collateral Agent to protect the Company, the Trustee and the Collateral Agent from any loss that any of them may suffer if such Note is replaced. The Company may charge for its and the Trustee's expenses in replacing a Note.

Every replacement Note issued pursuant to this **Section 2.13** will be an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and ratably with all other Notes issued under this Indenture.

SECTION 2.14. REGISTERED HOLDERS; CERTAIN RIGHTS WITH RESPECT TO GLOBAL NOTES.

Only the Holder of a Note will have rights under this Indenture as the owner of such Note. Without limiting the generality of the foregoing, Participants will have no rights as such under this Indenture with respect to any Global Note held on their behalf by the Common Depositary or its nominee, or by the Trustee as its custodian, and the Company, the Guarantors, the Trustee, the Collateral Agent and the Note Agents, and their respective agents, may treat the Common Depositary as the absolute owner of such Global Note for all purposes whatsoever; *provided*, *however*, that (A) the Holder of any Global Note may grant proxies and otherwise authorize any Person, including Participants and Persons that hold interests in Notes through Participants, to take any action that such Holder is entitled to take with respect to such Global Note under this Indenture or the Notes; and (B) the Company, the Guarantors, the Trustee and the Collateral Agent, and their respective agents, may give effect to any written certification, proxy or other authorization furnished by the Common Depositary.

SECTION 2.15. CANCELLATION.

The Company may at any time deliver Notes to the Trustee for cancellation. The Registrar,

the Paying Agent and the Conversion Agent will forward to the Trustee each Note duly surrendered to them for transfer, exchange, payment or conversion. The Trustee will promptly cancel all Notes so surrendered to it in accordance with its customary procedures. Without limiting the generality of **Section 2.03(B)**, the Company may not originally issue new Notes to replace Notes that it has paid or that have been cancelled upon transfer, exchange, payment or conversion.

SECTION 2.16. NOTES HELD BY THE COMPANY OR ITS AFFILIATES.

Without limiting the generality of **Section 2.18**, in determining whether the Holders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, Notes (if any) owned by the Company or any of its Affiliates will be deemed not to be outstanding; *provided*, *however*, that, for purposes of determining whether the Trustee or Collateral Agent is protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee or Collateral Agent, as applicable, actually knows are so owned will be so disregarded.

SECTION 2.17. TEMPORARY NOTES.

Until definitive Notes are ready for delivery, the Company may issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. The Company will promptly prepare, issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, definitive Notes in exchange for temporary Notes. Until so exchanged, each temporary Note will in all respects be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.18. OUTSTANDING NOTES.

(A) *Generally*. The Notes that are outstanding at any time will be deemed to be those Notes that, at such time, have been duly executed and authenticated (giving effect to, and as increased by, any payment of PIK Interest made thereon by increasing the aggregate principal amount of such Notes by an amount equal to the PIK Interest payable, rounded up to the nearest whole dollar), excluding those Notes (or portions thereof) that have theretofore been (i) cancelled by the Trustee or delivered to the Trustee for cancellation in accordance with **Section 2.15**; (ii) assigned a principal amount of zero by notation on the "Schedule of Exchanges of Interests in the Global Note" forming part of any a Global Note representing such Note; (iii) paid in full (including upon conversion) in accordance with this Indenture; or (iv) deemed to cease to be outstanding to the extent provided in, and subject to, **clause (B)**, **(D)** or **(E)** of this **Section 2.18**.

(B) *Replaced Notes*. If a Note is replaced pursuant to **Section 2.13**, then such Note will cease to be outstanding at the time of its replacement, unless the Trustee and the Company receive proof reasonably satisfactory to them that such Note is held by a "*bona fide* purchaser" under applicable law.

(C) *PIK Notes*. The aggregate principal amount of outstanding Notes shall from time to time be increased, as applicable, to reflect PIK Interest.

(D) *Maturing Notes and Notes Called for Redemption or Subject to Repurchase*. If, on a Redemption Date, a Tax Redemption Date, a Fundamental Change Repurchase Date or the Maturity Date, the Paying Agent holds money sufficient to pay the aggregate Redemption Price, Fundamental Change Repurchase Price or principal amount, respectively, together, in each case, with the aggregate interest in each case due on such date, then (unless there occurs a Default in the payment of any such amount) (i) the Notes (or portions thereof) to be redeemed or repurchased, or that mature, on such date will be deemed, as of such date, to cease to be outstanding, except to the extent provided in **Sections 4.02(D)**, **4.03(E)** or **5.02(D)**; and (ii) the rights of the Holders of such Notes (or such portions thereof), as such, will terminate with respect to such Notes (or such portions thereof), other than the right to receive the Redemption Price, Fundamental Change Repurchase Price or principal amount, as applicable, of, and accrued and unpaid interest on, such Notes (or such portions thereof), in each case as provided in this Indenture.

(E) *Notes to Be Converted*. At the Close of Business on the Conversion Date for any Note (or any portion thereof) to be converted, such Note (or such portion) will (unless there occurs a Default in the delivery of the Conversion Consideration or interest due, pursuant to **Section 5.03(B)** or **Section 5.02(D)**, upon such conversion) be deemed to cease to be outstanding, except to the extent provided in **Section 5.02(D)**.

(F) *Cessation of Accrual of Interest*. Except as provided in **Sections 4.02(D)**, **4.03(E)** or **5.02(D)**, interest will cease to accrue on each Note from, and including, the date that such Note is deemed, pursuant to this **Section 2.18**, to cease to be outstanding, unless there occurs a default in the payment or delivery of any cash or other property due on such Note.

SECTION 2.19. REPURCHASES BY THE COMPANY.

Without limiting the generality of **Section 2.15**, the Company or its Subsidiaries may repurchase Notes in open market purchases or in negotiated transactions. In connection with any such repurchase, the Company may appoint a tender agent, in which case such tender agent may be the Paying Agent in connection with such repurchase.

SECTION 2.20. CUSIP, ISIN AND COMMON CODE NUMBERS.

The Company may use one or more CUSIP, ISIN or Common Code numbers to identify any of the Notes, and, if so, the Company and the Trustee will use such CUSIP, ISIN or Common Code number(s) in notices to Holders as applicable; *provided*, *however*, that (i) the Trustee makes no representation as to the correctness or accuracy of any such CUSIP, ISIN or Common Code number; (ii) the effectiveness of any such notice will not be affected by any defect in, or omission of, any such CUSIP, ISIN or Common Code number; and (iii) the Trustee shall have no liability for any defect in the CUSIP, ISIN or Common Code numbers as they appear on any Note, notice or elsewhere. The Company will promptly notify the Trustee, in writing, of any change in the CUSIP, ISIN or Common Code number(s) identifying any Notes.

SECTION 2.21. REGISTRATION RIGHTS AGREEMENT.

The Holders are entitled to the benefits of the Registration Rights Agreement. Neither the Trustee nor the Collateral Agent shall have any obligation to monitor or enforce the terms of the

Registration Rights Agreement.

SECTION 2.22. LISTING.

The Company shall use its best endeavors to secure and maintain the listing and admission to trading of the Notes on the International Stock Exchange for so long as any Notes are outstanding or, if it is unable to do so having used its best endeavors, use best endeavors to obtain and maintain a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may decide **provided that** such new stock exchange is a "recognized stock exchange" or a "multilateral trading facility" for the purposes of section 1005 or section 987 of the Income Tax Act 2007 (respectively).

Article 3. COVENANTS

SECTION 3.01. PAYMENT ON NOTES.

(A) *Generally*. The Company will pay or cause to be paid all the principal of, the Fundamental Change Repurchase Price and Redemption Price for, interest on, and other amounts due with respect to, the Notes on the dates and in the manner set forth in this Indenture.

(B) *Deposit of Funds*. Before 10:00 A.M., New York City time, on each Redemption Date, Tax Redemption Date, Fundamental Change Repurchase Date or Interest Payment Date, and on the Maturity Date or any other date on which any cash amount is due on the Notes, the Company will deposit, or will cause there to be deposited, with the Paying Agent cash, in funds immediately available on such date, sufficient to pay the cash amount due on the applicable Notes on such date. The Paying Agent will return to the Company, as soon as practicable, any money not required for such purpose.

(C) *PIK Interest*. PIK Interest shall be considered paid on the date due if on such date the Trustee has received (i) a written order, pursuant to **Section 2.05**, from the Company signed by an Officer to increase the balance of any Global Note to reflect such PIK Interest or (ii) a written order, to increase the balance of a Physical Note on the books and records of the Registrar to reflect such PIK Interest. For the avoidance of doubt, the Trustee shall not be obligated to authenticate such additional Notes representing PIK Interest unless approved by the Trustee in its sole discretion.

SECTION 3.02. EXCHANGE ACT REPORTS.

(A) *Generally*. The Company will send to the Trustee copies of all reports that the Company is required to file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act within fifteen (15) calendar days after the date that the Company is required to file or furnish the same (after giving effect to all applicable grace periods under the Exchange Act); *provided*, *however*, that the Company need not send to the Trustee any material for which the Company has received, or is seeking in good faith and has not been denied, confidential treatment by the SEC. Any report that the Company files with or furnishes to the SEC through the EDGAR system (or any successor thereto) will be deemed to be sent to the Trustee at the time such report is so filed or furnished via the EDGAR system (or such successor). Upon the request of any Holder,

the Company will provide to such Holder a copy of any report that the Company has furnished or filed pursuant to this **Section 3.02(A)**, other than a report that is deemed to be sent to the Trustee pursuant to the preceding sentence.

(B) *Trustee's Disclaimer*. The Trustee need not determine whether the Company has filed any material via the EDGAR system (or such successor). The sending or filing of reports pursuant to **Section 3.02(A)** to the Trustee will be for informational purposes only, and the Trustee's receipt of such reports will not be deemed to constitute actual or constructive notice to the Trustee of any information contained, or determinable from information contained, therein, including the Company's compliance with any of its covenants under this Indenture (as to which the Trustee is entitled to rely exclusively and conclusively on Officer's Certificates). The Trustee shall have no liability or responsibility for the filing, content or timeliness if any report hereunder.

SECTION 3.03. RULE 144A INFORMATION.

If the Company is not subject to Section 13 or 15(d) of the Exchange Act at any time when any Notes or Ordinary Shares issuable upon conversion of the Notes are outstanding and constitute "restricted securities" (as defined in Rule 144), then the Company (or its successor) will promptly provide, to the Trustee and, upon written request, to any Holder, beneficial owner or prospective purchaser of such Notes or shares, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes or shares pursuant to Rule 144A. The Company (or its successor) will take such further action as any Holder or beneficial owner of such Notes or shares may reasonably request to enable such Holder or beneficial owner to sell such Notes or shares pursuant to Rule 144A.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of the Company's covenants under this Indenture (as to which the Trustee is entitled to rely exclusively and conclusively on Officer's Certificates).

SECTION 3.04. [RESERVED.]

SECTION 3.05. COMPLIANCE AND DEFAULT CERTIFICATES.

(A) *Annual Compliance Certificate*. Within ninety (90) days after December 31, 2021 and each fiscal year of the Company ending thereafter, the Company will deliver an Officer's Certificate to the Trustee stating (i) that the signatory thereto has supervised a review of the activities of the Company and its Subsidiaries during such fiscal year with a view towards determining whether any Default or Event of Default has occurred; and (ii) whether, to such signatory's knowledge, a Default or Event of Default has occurred and is continuing (and, if so, describing all such Defaults or Events of Default and what action the Company is taking or proposes to take with respect thereto).

(B) *Default Certificate*. If a Default or Event of Default occurs, then the Company will, within 30 days after its first occurrence, promptly deliver an Officer's Certificate to the Trustee describing the same and what action the Company is taking or proposes to take with respect

thereto; *provided, however*, that the Company will not be required to deliver such notice if such Default or Event of Default, as applicable, has been cured within the applicable grace period, if any, provided herein.

SECTION 3.06. STAY, EXTENSION AND USURY LAWS.

To the extent that it may lawfully do so, the Company (A) agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law (wherever or whenever enacted or in force) that may affect the covenants or the performance of this Indenture; and (B) expressly waives all benefits or advantages of any such law and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power granted to the Trustee or the Collateral Agent by this Indenture, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 3.07. ACQUISITION OF NOTES BY THE COMPANY AND ITS AFFILIATES.

Without limiting the generality of **Section 2.18**, Notes that the Company or any of its Subsidiaries have purchased or otherwise acquired will be deemed to remain outstanding (except to the extent provided in **Section 2.16**) until such time as such Notes are delivered to the Trustee for cancellation.

SECTION 3.08. LIMITATION ON INCURRENCE OF INDEBTEDNESS FOR BORROWED MONEY.

The Company will not, nor will the Company permit any of its Restricted Subsidiaries to create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness for borrowed money except for:

(a) (I) any Indebtedness that is secured by a Lien on the assets of the Company or any of its Restricted Subsidiaries in an amount not to exceed US$100,000,000 and (II) any refinancing of Indebtedness incurred pursuant to the foregoing clause (I); *provided* that such Indebtedness complies with the Required Additional Secured Debt Terms;

(b) (I) any unsecured Indebtedness (whether senior or subordinated) in an amount not to exceed US$50,000,000; and (II) any refinancing of Indebtedness incurred pursuant to the foregoing clause (I); *provided* that (x) such Indebtedness shall not be permitted unless the Company or any of its Restricted Subsidiaries have received, and are at the time of incurrence maintaining, type certification from the European Aviation Safety Agency or the UK Civil Aviation Authority and (y) the net proceeds of such Indebtedness shall be used only for the purposes of funding working capital and production of aircraft;

(c) Indebtedness represented by the Initial Notes (as increased from time to time by PIK Interest) and any PIK Notes;

(d) any Indebtedness of the Company or of any of its Restricted Subsidiaries owing to the Company or any of its Restricted Subsidiaries;

(e) any Indebtedness to finance Capital Lease Obligations in the ordinary course of

business, in an amount not to exceed US$10,000,000;

(f) any Indebtedness arising in connection with customary joint venture arrangements; and

(g) any other Indebtedness in an amount not to exceed US$10,000,000 at any time.

For purposes of determining compliance with this covenant, in the event that a proposed Indebtedness (or a portion thereof) meets the criteria of clauses (a) through (g) above, the Company will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Indebtedness (or a portion thereof) between such clauses (a) through (g) in any manner that otherwise complies with this definition.

Notwithstanding anything to the contrary in this Indenture or the Notes, the Company hereby grants the Subscriber a right of first refusal in connection with any additional Indebtedness for borrowed money to be incurred by the Company or any of its Subsidiaries, subject to the following terms and conditions. From and after the Issue Date, prior to the incurrence of any additional Indebtedness by the Company or any of its Subsidiaries, the Company shall notify the Subscriber of its or such Subsidiary's intention to incur additional Indebtedness, provide the Subscriber with a proposed term sheet (the "**Proposed Term Sheet**") negotiated in good faith and on an "arm's length" basis with a third party lender or investor and offer to the Subscriber a right of first refusal to offer such financing under the same terms and conditions as those outlined in the proposed term sheet. The Subscriber shall have the right, but not the obligation, to deliver its own proposed term sheet setting forth the terms and conditions on terms no less favorable than those outlined in Proposed Term Sheet within five (5) Business Days of receipt of any such Proposed Term Sheet. If the provisions of the Subscriber's term sheet are at least as favorable to the Company or such Subsidiary as the provisions of the Proposed Term Sheet, the Company or such Subsidiary shall enter into and consummate the additional financing transaction outlined in the Subscriber's term sheet. Neither the Trustee nor the Collateral Agent shall have any obligation to monitor or enforce the terms of the Subscription Agreement or the Proposed Term Sheet, and may assume without inquiry that no default or other breach of this Section 3.08 has occurred in the absence of a written notice from the Company or the Holders of the requisite principal amount (and not the Subscriber) in accordance with this Indenture.

SECTION 3.09. LIMITATION ON LIENS SECURING INDEBTEDNESS.

The Company will not, nor will the Company permit any of its Restricted Subsidiaries to create, assume or suffer to exist any Lien to secure Indebtedness on any property or assets now owned or hereafter acquired by the Company or any of its Restricted Subsidiaries except for Permitted Liens.

SECTION 3.10. LIMITATION ON ASSET SALES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(i) the Company or such Restricted Subsidiary, as the case may be, receives

consideration (including, but not limited to, by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with, such Asset Sale) at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by the Company at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(ii) at least 75% of the consideration for such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis), received by the Company or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents.

If the Company or any of its Restricted Subsidiaries consummates one or more Asset Sales resulting in aggregate proceeds in excess of US$5,000,000 per annum, the Company shall be required to make an offer, within 10 Business Days of receipt of such proceeds, to repurchase such amount of Notes outstanding on the date of the consummation of such Asset Sale, at an amount equal to the applicable Redemption Price at the time of receipt of such proceeds.

SECTION 3.11. LIMITATION ON TRANSACTIONS WITH AFFILIATES.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each of the foregoing, an "**Affiliate Transaction**") unless:

(i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Company, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Company or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of US$2,000,000 per annum, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements of clause (ii) of this **Section 3.11(a)** if such Affiliate Transaction is approved by a majority of the disinterested directors of the Company.

(b) The provisions of **Section 3.11(a)** hereof shall not apply to the following:

(i) (A) transactions between or among the Company or any of its Restricted Subsidiaries (or any entity that becomes a Restricted Subsidiary as a result of such

transaction);

(ii) payments by the Company or any of its Restricted Subsidiaries, (A) to reimburse for any out-of-pocket costs and expenses incurred in connection with the provision of any management, advisory, consulting or other similar services, (B) for indemnification and similar expenses, (C) for customary compensation to Affiliates in connection with financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, which payments are approved by the majority of the Board of Directors in good faith,

(iii) (A) employment agreements, employee benefit and incentive compensation plans and arrangements, and (B) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements;

(iv) transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an independent financial advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's- length basis;

(v) any agreement or arrangement as in effect as of the Issue Date, or any amendment or replacement thereto (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Company to the Holders when taken as a whole as compared to the applicable agreement or arrangement as in effect on the Issue Date);

(vi) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders, shareholders, investor rights or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any similar agreements which it may enter into thereafter; provided that the existence of, or the performance by the Company or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (vi) to the extent that the terms of any such amendment or new agreement are not otherwise, when taken as a whole, materially disadvantageous in the good faith judgment of the Company to the Holders than those in effect on the Issue Date;

(vii) the Merger and the payment of all fees and expenses related to the Merger;

(viii) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services or providers of employees or other labor that are Affiliates, in each case in the ordinary course of business or that are consistent with past practice and otherwise in compliance with the terms of this Indenture which are

fair to the Company and its Restricted Subsidiaries, in the reasonable determination of the Company, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(ix) the issuance or transfer of (A) any Equity Interests and (B) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(x) sales of accounts receivable, or participations therein, or accounts receivable, royalty or other revenue streams and other rights to payment and any other assets, or other transactions, in connection with any Indebtedness permitted under this Indenture;

(xi) any payments pursuant to any management equity plan or stock or share option plan or any other management or employee benefit plan or agreement or any stock or share subscription or shareholder agreement that are, in each case, approved by the Company in good faith; and any employment agreements, stock or share option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements that are, in each case, approved by the Company in good faith;

(xii) (A) investments by Affiliates in securities or loans or other Indebtedness of the Company or any of its Restricted Subsidiaries (and payment of out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Company or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and payments to Affiliates in respect of securities or loans or other Indebtedness of the Company or any of its Restricted Subsidiaries contemplated in the foregoing subclause (A) or that were acquired from Persons other than the Company and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(xiii) payments to or from, and transactions with, any customers, clients, joint ventures or joint venture partners, suppliers, purchasers or sellers of goods or services or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice (including, without limitation, any cash management activities related thereto);

(xiv) payments by the Company and its Subsidiaries pursuant to, or the entry into, tax sharing agreements among the Company and its Subsidiaries;

(xv) any lease entered into between the Company or any of its Restricted Subsidiaries, as lessee, and any Affiliate of the Company, as lessor, which is approved by the Company in good faith;

(xvi) non-exclusive intellectual property licenses and research and development agreements in the ordinary course of business or consistent with past practice;

(xvii) the payment of customary fees and reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equityholders of the Company pursuant to any equityholders, registration rights or similar in the ordinary course

of business to the extent attributable to the ownership or operation of the Company and its Restricted Subsidiaries;

(xviii) the pledge or charge of, or granting of a security interest over any, Equity Interests of any Unrestricted Subsidiary to lenders to support the Indebtedness of such Unrestricted Subsidiary owed to such lenders; and

(xix) (A) any transactions with a Person which would constitute an Affiliate Transaction solely because the Company or its Restricted Subsidiary owns an equity interest in or otherwise controls such Person or (B) transactions with a Person which would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Company; *provided* that such director abstains from voting as a director of the Company on any matter including such other Person.

SECTION 3.12. LIMITATION ON RESTRICTED PAYMENTS.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any payment or distribution on account of the Company's, or any of its Restricted Subsidiaries', Equity Interests (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend, payment or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments and distributions by the Company payable solely in Equity Interests (other than Disqualified Stock) of the Company or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock); or

(B) dividends, payments and distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary, the Company or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Company, including any purchase, redemption, defeasance, acquisition or retirement in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Company or a Restricted Subsidiary;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness, other than:

(A) any Indebtedness permitted under **Section 3.08**; or

(B) the payment, redemption, purchase, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of payment, redemption, purchase, repurchase, defeasance or acquisition or retirement; or

(iv) make any Restricted Investment,

(all such payments and other actions set forth in clauses (i) through (iv) above (other than any exceptions thereto) being collectively referred to as "**Restricted Payments**").

(b) The provisions of **Section 3.12(a)** hereof shall not prohibit:

(i) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or the giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of this Indenture;

(ii) (A) the redemption, repurchase, defeasance, retirement or other acquisition of any Equity Interests ("**Treasury Capital Stock**"), including any accrued and unpaid dividends thereon, or Subordinated Indebtedness of the Company or any of its Restricted Subsidiaries, in exchange for, or in an amount not to exceed the proceeds of, the substantially concurrent sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Company to the extent contributed to the Company (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**"), (B) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Company or to an employee stock ownership plan or any trust established by the Company or any of its Subsidiaries) of Refunding Capital Stock, and (C) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (vi)(A) or (B) of this **Section 3.12(b)**, the declaration and payment of dividends on the Refunding Capital Stock in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(iii) the prepayment, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (1) Subordinated Indebtedness of the Company or a Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, new Indebtedness of the Company, or a Guarantor or Disqualified Stock of the Company, or a Guarantor made within 120 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (2) Disqualified Stock of the Company or a Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, Disqualified Stock of the Company or a Guarantor made within 120 days of such issuance of Disqualified Stock, so long as:

(A) the principal amount (or accreted value, if applicable) of such new

Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, defeased, redeemed, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premium) paid on the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired, defeasance costs and any fees and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock;

(B) such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least to the same extent as such Subordinated Indebtedness so defeased, redeemed, repurchased, exchanged, acquired or retired;

(C) such new Indebtedness or Disqualified Stock has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired (or, if earlier, a date that is at least 91 days after the maturity date of the Notes); and

(D) such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Notes); and

(iv) a Restricted Payment by the Company to redeem, acquire, retire or repurchase its Equity Interests (or any options, warrants, restricted stock or shares, stock or share appreciation rights or other equity-linked interests issued with respect to any such Equity Interests) to redeem, retire, acquire or repurchase its Equity Interests (or any options, warrants, restricted stock or shares, stock or share appreciation rights or other equity-linked interests issued with respect to any of such Equity Interests), in each case, held directly or indirectly by Permitted Payees, upon or in connection with the death, disability, retirement or termination of employment or service of, or breach of restrictive covenants by, any such Person or otherwise in accordance with any stock or share option or stock or share appreciation rights plan, any management, director and/or employee stock or share ownership or incentive plan, stock or share subscription plan, stock or share subscription or equity incentive award agreement, employment termination agreement or any other employment agreements or equity holders' agreement:

(A) so long as the aggregate amount of Restricted Payments made pursuant to this clause (A) in any fiscal year does not exceed US$5,000,000; *provided* that any unused amounts pursuant to this clause (A) during any fiscal year shall carry forward into succeeding fiscal years;

(B) with the Net Cash Proceeds obtained from any key-man life

insurance policies; and

(C) with the amount of any cash bonuses otherwise payable to any Permitted Payee that are foregone in exchange for the receipt of Equity Interests of the Company pursuant to any compensation arrangement, including any deferred compensation plan;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Company or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary of the Company;

(vi) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (ii) of this Section 3.12(b);

(vii) Investments (i) in Unrestricted Subsidiaries or (ii) in any Restricted Subsidiary of the Company to enable such Restricted Subsidiary to make substantially concurrent Investments in Unrestricted Subsidiaries, in each case where, such Investments have an aggregate fair market value, taken together with all other Investments made pursuant to this clause (vii) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of Cash Equivalents or marketable securities (until such proceeds are converted to Cash Equivalents), not exceeding US$2,000,000 at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *plus* the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; *provided, however,* that if any Investment pursuant to this clause (vii) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (vii);

(viii) payments made or expected to be made by the Company or any of its Restricted Subsidiaries in respect of withholding or similar taxes payable upon or in connection with the exercise or vesting of Equity Interests or any other equity award by any Permitted Payee and any repurchases or withholdings of Equity Interests in connection with the exercise or vesting of stock or share options, warrants or the issuance of restricted stock units or similar equity-based awards or payments in lieu of the issuance of fractional Equity Interests with respect to stock or share options, warrants, restricted stock units or similar equity-based awards;

(ix) Restricted Payments that are made (a) with the proceeds of Excluded Contributions received following the Issue Date or (b) without duplication with clause (a), in an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired after the Issue Date, if the acquisition

of such property or assets was financed with Excluded Contributions;

(x) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (x) (in the case of Restricted Investments, at the time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of, or have not been converted to, Cash Equivalents)) not to exceed US$2,000,000 at such time (in the case of a Restricted Investment, determined on the date such Investment is made, with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments);

(xi) distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person in connection with, any financing permitted under this Indenture;

(xii) any Restricted Payment made to satisfy indemnity or other similar obligations or any other earnouts, purchase price adjustments, working capital adjustments and any other payments under the Business Combination Agreement;

(xiii) Restricted Payments by the Company of the Equity Interests or other securities of, or debt owed to the Company or any of its Restricted Subsidiaries by, any Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries, *provided* that such Restricted Subsidiary owns no other material assets other than Equity Interests, Indebtedness or other securities of one or more Unrestricted Subsidiaries), in each case other than Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents received as an Investment from the Company or a Restricted Subsidiary;

(xiv) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment so long as the amount of such redemptions are no greater than the amount that constituted such Restricted Payment or Permitted Investment;

(xv) payments or distributions to dissenting stockholders or shareholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with any Permitted Investment or a consolidation, merger or transfer of assets;

(xvi) the repurchase, redemption or other acquisition of Equity Interests of the Company or any of its Restricted Subsidiaries deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Company or any of its Restricted Subsidiaries, in each case, permitted under this Indenture;

(xvii) redemptions in whole or in part of any of the Company's Equity Interests for another class of its Equity Interests or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests;

(xviii) Restricted Payments by the Company to satisfy dissenters' rights (including in connection with, or as a result of, the exercise of appraisal rights and the settlement of any claims or actions, whether actual, contingent or potential), pursuant to or in connection with any acquisition, merger, amalgamation or consolidation or Asset Sale or any other transaction permitted under this Indenture;

(xix) [*reserved*]; and

(xx) Restricted Payments made by the Company the proceeds of which are applied (i) on or about the Issue Date, solely to effect the consummation of the SPAC Transactions, (ii) on and after the Issue Date, to satisfy any payment obligations owing, or as otherwise required, in connection with the SPAC Transactions or any acquisition permitted under this Indenture or other Investment not prohibited under this Indenture (including, in each case, payment of working capital and/or purchase price adjustments) and to pay related transaction costs and (iii) to satisfy any settlement of claims or actions in connection with the SPAC Transactions or any acquisition permitted under this Indenture or other Investment not prohibited under this Indenture or to satisfy indemnity or other similar obligations in connection with the SPAC Transactions or any acquisition permitted under this Indenture or other Investment not prohibited under this Indenture.

(c) For purposes of determining compliance with this Section 3.12, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (i) through (xx) of Section 3.12(b) hereof and/or one or more of the clauses contained in the definition of "Permitted Investments," the Company will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (i) through (xx) and/or one or more of the clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this **Section 3.12**.

(d) As of the Issue Date, all of the Company's Subsidiaries shall be Restricted Subsidiaries. The Company shall not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated shall be deemed to be Restricted Payments in an amount determined as set forth in the penultimate sentence of the definition of "Investments." Such designation shall be permitted only if a Restricted Payment in such amount would be permitted at such time, pursuant to this **Section 3.12**, or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries shall not be subject to any of the restrictive covenants set forth in this Indenture. For the avoidance of doubt, this **Section 3.12** shall not restrict the making of any AHYDO catch-up payment with respect to, and required by the terms of, any Indebtedness of the Company or any of its Restricted Subsidiaries permitted to be incurred under the terms of this Indenture.

SECTION 3.13. RETENTION OF CASH.

Vertical Aerospace Group Ltd. and/or its Restricted Subsidiaries shall retain on their balance sheets consolidated cash or Cash Equivalents of the Company in excess of ten million (US$10,000,000).

SECTION 3.14. ADDITIONAL AMOUNTS

(A) All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to this Indenture and the Notes, including payments of principal (including, if applicable, the Redemption Price and the Fundamental Change Repurchase Price), premium, if any, payments of interest, and payments of cash and/or deliveries of the Ordinary Shares or any other consideration (together with payments of cash for any Fractional Ordinary Share) upon conversion, shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied (including any penalties and interest related thereto) ("**applicable taxes**") unless such withholding or deduction is required by law or by the relevant taxing authority's interpretation or administration thereof. In the event that any such withholding or deduction is so required by or within any jurisdiction in which the Company or any successor to the Company is, for tax purposes, organized or resident for tax purposes (each, as applicable, a "**Relevant Taxing Jurisdiction**") or through which payment is made or deemed made (together with each Relevant Taxing Jurisdiction, a "**Relevant Jurisdiction**," and in each case, any political subdivision or taxing authority thereof or therein), the Company or any successor to the Company shall pay or deliver to each Holder such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amount received by the beneficial owners of the Notes after such withholding or deduction (and after deducting any taxes on the Additional Amounts) shall equal the amounts that would have been received by such beneficial owners had no such withholding or deduction been required; *provided* that no Additional Amounts shall be payable:

(i) for or on account of:

(I) any applicable taxes that would not have been imposed but for:

(I) the existence of any present or former connection between the relevant Holder or beneficial owner of such Note and the Relevant Jurisdiction (other than merely acquiring or holding such Note, receiving cash and/or Ordinary Shares or other consideration due on conversion of such Note or the receipt of payments or the enforcement of rights thereunder) including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(II) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of (including the Redemption Price and the Fundamental

Change Repurchase Price, if applicable) and interest on, such Note or the payment of cash and/or the delivery of Ordinary Shares (together with payment of cash for any Fractional Ordinary Share) upon conversion of such Note became due and payable pursuant to the terms thereof or was made or duly provided for, unless the Holder or beneficial owner would have been entitled to such Additional Amounts on the last day of the 30 day period;

(III) the failure of the Holder or beneficial owner to comply with a timely request from the Company or any successor of the Company, addressed to the Holder or beneficial owner, to the extent such Holder or beneficial owner is legally entitled, to provide certification, information, documents or other evidence concerning such Holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable; or

(IV) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(II) any estate, inheritance, gift, sale, transfer, excise, personal property or similar applicable tax;

(III) any applicable tax that is payable otherwise than by withholding or deduction from payments or deliveries under or with respect to the Notes;

(IV) any applicable tax withholding or deduction required by Sections 1471 through 1474 of the Code ("**FATCA**"), any current or future treasury regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(V) any combination of applicable taxes referred to in the preceding clauses (I), (I), (III) or (IV); or

(ii) with respect to any payment of the principal of (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable), and interest, including any Additional Interest, on, such Note or the payment of cash and/or delivery of Ordinary

Shares (together with payment of cash for any Fractional Ordinary Share) or other consideration upon conversion of such Note to a Holder, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of that payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of beneficiary or settlor with respect to the fiduciary, a partner or member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, member or beneficial owner been the Holder thereof.

(B) Any reference in this Indenture or the Notes in any context to the payment of cash and/or the delivery of Ordinary Shares (together with payment of cash for any Fractional Ordinary Share) or other consideration upon conversion of any Note or the payment of principal of (including the Redemption Price and Fundamental Change Repurchase Price, if applicable) and any premium or interest on any Note or any other amount payable with respect to such Note, shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect to that amount pursuant to this **Section 3.14**.

(C) Notwithstanding any other provisions, the Company or its successor, the Trustee and the Paying Agent shall be entitled to make any withholding or deduction pursuant to FATCA.

If the Company or its successor is required to make any deduction or withholding from any payments or deliveries with respect to the Notes, it will make such deduction in the minimum amount required by law and will deliver to the Trustee official tax receipts evidencing the remittance to the relevant tax authorities of the amounts so withheld or deducted or, if official receipts are not obtainable, an Officer's Certificate evidencing the payment of any applicable taxes so deducted or withheld.

SECTION 3.15. GUARANTORS

(a) The Company shall cause (i) any Wholly Owned Subsidiary or (ii) any Restricted Subsidiary that (A) generates revenue of US$2,000,000 or more on an unconsolidated basis and (B) accounts for 5% of more of the Company's consolidated revenue on an unconsolidated basis, in each case to become a Guarantor by executing an amended or supplemental indenture pursuant to Section 8.01(B).

(b) The Company shall use commercially reasonable efforts to cause any joint venture or Similar Business to become a Guarantor by executing an amended or supplemental indenture pursuant to Section 8.01(B).

SECTION 3.16. MATERIAL IP

(a) The Company and the Guarantors shall own all Material IP and no Material IP shall be permitted to be transferred by the Company or any Guarantor to any Person.

(b) Notwithstanding anything to the contrary in this Indenture, the Company and the Guarantors may transfer any Material IP, provided, that such transfer is

(i) made in the ordinary course of business as determined in good faith by the Company; and

(ii) the value of such sale and transfer does not exceed (A) US$2,000,000 in any single transaction and (B) US$5,000,000 in all such transactions in the aggregate.

Article 4. REPURCHASE AND REDEMPTION

SECTION 4.01. NO SINKING FUND.

No sinking fund is required to be provided for the Notes.

SECTION 4.02. RIGHT OF HOLDERS TO REQUIRE THE COMPANY TO REPURCHASE NOTES UPON A FUNDAMENTAL CHANGE.

(A) *Right of Holders to Require the Company to Repurchase Notes Upon a Fundamental Change*. Subject to the other terms of this **Section 4.02**, if a Fundamental Change occurs, then each Holder will have the right (the "**Fundamental Change Repurchase Right**") to require the Company to repurchase such Holder's Notes (or any portion thereof in an Authorized Denomination) on the Fundamental Change Repurchase Date for such Fundamental Change for a cash purchase price equal to the Fundamental Change Repurchase Price.

(B) *Repurchase Prohibited in Certain Circumstances*. If the principal amount of the Notes has been accelerated and such acceleration has not been rescinded on or before the Fundamental Change Repurchase Date (including as a result of the payment of the related Fundamental Change Repurchase Price and any related interest pursuant to the proviso to **Section 4.02(D)** on the Fundamental Change Repurchase Date), then (i) the Company may not repurchase any Notes pursuant to this **Section 4.02**; and (ii) the Company will cause any Notes theretofore surrendered for such Repurchase Upon Fundamental Change to be returned to the Holders thereof (or, if applicable with respect to Global Notes, cancel any instructions for book-entry transfer to the Company, the Trustee or the Paying Agent of the applicable Book-Entry Interest in such Notes in accordance with the Applicable Procedures).

(C) *Fundamental Change Repurchase Date*. The Fundamental Change Repurchase Date for any Fundamental Change will be a Business Day of the Company's choosing that is no more than thirty five (35), nor less than twenty (20), Business Days after the date the Company sends the related Fundamental Change Notice pursuant to **Section 4.02(E)**.

(D) *Fundamental Change Repurchase Price*. The Fundamental Change Repurchase Price repurchased upon a Repurchase Upon Fundamental Change following a Fundamental Change prior to the second anniversary of the Issue Date is an amount in cash equal to the sum of (i) the principal amount of such Note, (ii) the Make-Whole Premium as of the date of repurchase and (iii) accrued and unpaid interest, on such Note to, but excluding, the Fundamental Change

Repurchase Date for such Fundamental Change. The Fundamental Change Repurchase Price for any Note to be repurchased upon a Repurchase Upon Fundamental Change following a Fundamental Change is an amount in cash equal to the principal amount of such Note, multiplied by the relevant Fundamental Change Redemption Multiplier, plus accrued and unpaid interest on such Note to, but excluding, the Fundamental Change Repurchase Date for such Fundamental Change. If a Fundamental Change Repurchase Date is after a Regular Record Date and on or before the next Interest Payment Date, then (i) the Holder of such Note at the Close of Business on such Regular Record Date will be entitled, notwithstanding such Repurchase Upon Fundamental Change, to receive, on or, at the Company's election, before such Interest Payment Date, the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date (assuming, solely for these purposes, that such Note remained outstanding through such Interest Payment Date, if such Fundamental Change Repurchase Date is before such Interest Payment Date); and (ii) the Fundamental Change Repurchase Price will not include accrued and unpaid interest on such Note to, but excluding, such Fundamental Change Repurchase Date. For the avoidance of doubt, if an Interest Payment Date is not a Business Day within the meaning of **Section 2.05(G)** and such Fundamental Change Repurchase Date occurs on the Business Day immediately after such Interest Payment Date, then (x) accrued and unpaid interest on Notes to, but excluding, such Interest Payment Date will be paid, in accordance with **Section 2.05(G)**, on the next Business Day to Holders as of the Close of Business on the immediately preceding Regular Record Date; and (y) the Fundamental Change Repurchase Price will include interest on Notes to be repurchased from, and including, such Interest Payment Date to, but excluding, the Fundamental Change Repurchase Date.

(E) *Fundamental Change Notice*. On or before the twentieth (20th) calendar day after the effective date of a Fundamental Change, the Company will send to each Holder, the Trustee, the Conversion Agent and the Paying Agent a notice of such Fundamental Change (a "**Fundamental Change Notice**"). Substantially contemporaneously, the Company will issue a press release through such national newswire service as the Company then uses (or publish the same through such other widely disseminated public medium as the Company then uses, including its website) containing the information set forth in the Fundamental Change Notice.

Such Fundamental Change Notice must state:

(i) briefly, the events causing such Fundamental Change;

(ii) the effective date of such Fundamental Change;

(iii) the procedures that a Holder must follow to require the Company to repurchase its Notes pursuant to this **Section 4.02**, including the deadline for exercising the Fundamental Change Repurchase Right and the procedures for submitting and withdrawing a Fundamental Change Repurchase Notice;

(iv) the Fundamental Change Repurchase Date for such Fundamental Change;

(v) the Fundamental Change Repurchase Price per US$1,000 principal amount of Notes for such Fundamental Change (and, if such Fundamental Change Repurchase Date is after a Regular Record Date and on or before the next Interest Payment Date, the amount,

manner and timing of the interest payment payable pursuant to the proviso to **Section 4.02(D)**);

(vi) the name and address of the Paying Agent and the Conversion Agent;

(vii) the Conversion Rate in effect on the date of such Fundamental Change Notice;

(viii) that Notes for which a Fundamental Change Repurchase Notice has been duly tendered and not duly withdrawn must be delivered to the Paying Agent for the Holder thereof to be entitled to receive the Fundamental Change Repurchase Price;

(ix) that Notes (or any portion thereof) that are subject to a Fundamental Change Repurchase Notice that has been duly tendered may be converted only if such Fundamental Change Repurchase Notice is withdrawn in accordance with this Indenture; and

(x) the CUSIP, ISIN and Common Code numbers, if any, of the Notes.

Neither the failure to deliver a Fundamental Change Notice nor any defect in a Fundamental Change Notice will limit the Fundamental Change Repurchase Right of any Holder or otherwise affect the validity of any proceedings relating to any Repurchase Upon Fundamental Change.

(F) *Procedures to Exercise the Fundamental Change Repurchase Right*.

(i) *Delivery of Fundamental Change Repurchase Notice and Notes to Be Repurchased*. To exercise its Fundamental Change Repurchase Right for a Note following a Fundamental Change, the Holder thereof must deliver to the Paying Agent:

(1) before the Close of Business on the Business Day immediately before the related Fundamental Change Repurchase Date (or such later time as may be required by law), a duly completed, written Fundamental Change Repurchase Notice with respect to such Note; and

(2) such Note, duly endorsed for transfer (if such Note is a Physical Note) or by book-entry transfer (if such Note is a Global Note).

The Paying Agent will promptly deliver to the Company a copy of each Fundamental Change Repurchase Notice that it receives.

(ii) *Contents of Fundamental Change Repurchase Notices*. Each Fundamental Change Repurchase Notice with respect to a Note must state:

(1) if such Note is a Physical Note, the certificate number of such Note;

(2) the principal amount of such Note to be repurchased, which must be an Authorized Denomination; and

(3) that such Holder is exercising its Fundamental Change Repurchase Right with respect to such principal amount of such Note;

provided, *however*, that if such Note is a Global Note, then such Fundamental Change Repurchase Notice must comply with the Applicable Procedures (and any such Fundamental Change Repurchase Notice delivered in compliance with the Applicable Procedures will be deemed to satisfy the requirements of this **Section 4.02(F)**).

(iii) *Withdrawal of Fundamental Change Repurchase Notice*. A Holder that has delivered a Fundamental Change Repurchase Notice with respect to a Note may withdraw such Fundamental Change Repurchase Notice by delivering a written notice of withdrawal to the Paying Agent at any time before the Close of Business on the Business Day immediately before the related Fundamental Change Repurchase Date. Such withdrawal notice must state:

(1) if such Note is a Physical Note, the certificate number of such Note;

(2) the principal amount of such Note to be withdrawn, which must be an Authorized Denomination; and

(3) the principal amount of such Note, if any, that remains subject to such Fundamental Change Repurchase Notice, which must be an Authorized Denomination;

provided, *however*, that if such Note is a Global Note, then such withdrawal notice must comply with the Applicable Procedures (and any such withdrawal notice delivered in compliance with the Applicable Procedures will be deemed to satisfy the requirements of this **Section 4.02(F)**).

Upon receipt of any such withdrawal notice with respect to a Note (or any portion thereof), the Paying Agent will (x) promptly deliver a copy of such withdrawal notice to the Company; and (y) if such Note is surrendered to the Paying Agent, cause such Note (or such portion thereof in accordance with **Section 2.11**, treating such Note as having been then surrendered for partial repurchase in the amount set forth in such withdrawal notice as remaining subject to repurchase) to be returned to the Holder thereof (or, if applicable with respect to any Global Note, cancel any instructions for book-entry transfer to the Company, the Trustee or the Paying Agent of the applicable Book-Entry Interest in such Note in accordance with the Applicable Procedures).

(G) *Payment of the Fundamental Change Repurchase Price*. Without limiting the Company's obligation to deposit the Fundamental Change Repurchase Price within the time proscribed by **Section 3.01(B)**, the Company will cause the Fundamental Change Repurchase Price for a Note (or portion thereof) to be repurchased pursuant to a Repurchase Upon Fundamental Change to be paid to the Holder thereof on or before the later of (i) the applicable Fundamental Change Repurchase Date; and (ii) the date (x) such Note is delivered to the Paying Agent (in the case of a Physical Note) or (y) the Applicable Procedures relating to the repurchase, and the delivery to the Paying Agent, of such Holder's Book-Entry Interest in such Note to be repurchased

are complied with (in the case of a Global Note). For the avoidance of doubt, interest payable pursuant to the proviso to **Section 4.02(D)** on any Note to be repurchased pursuant to a Repurchase Upon Fundamental Change must be paid pursuant to such proviso regardless of whether such Note is delivered or such Applicable Procedures are complied with pursuant to the first sentence of this **Section 4.02(G)**.

(H) *Compliance with Applicable Securities Laws*. To the extent applicable, the Company will comply in all material respects with all federal and state securities laws in connection with a Repurchase Upon Fundamental Change (including complying with Rules 13e-4 and 14e-1 under the Exchange Act and filing any required Schedule TO, to the extent applicable) so as to permit effecting such Repurchase Upon Fundamental Change in the manner set forth in this Indenture; *provided*, *however*, that, to the extent that the Company's obligations to offer to repurchase and to repurchase Notes pursuant to this **Section 4.02** conflict with any federal and/or state securities law or regulation that is applicable to the Company and enacted after the Issue Date, the Company's compliance with such law or regulation will not be considered to be a Default of those obligations.

(I) *Repurchase in Part*. Subject to the terms of this **Section 4.02**, Notes may be repurchased pursuant to a Repurchase Upon Fundamental Change in part, but only in Authorized Denominations. Provisions of this **Section 4.02** applying to the repurchase of a Note in whole will equally apply to the repurchase of a permitted portion of a Note.

SECTION 4.03. RIGHT OF THE COMPANY TO REDEEM THE NOTES.

(A) *Right to Redeem the Notes*. Subject to the terms of this **Section 4.03**, the Company has the right, at its election, to redeem all but not part of the Notes at any time, and from time to time, on a Redemption Date for a cash purchase price equal to the relevant Redemption Price.

(B) *Redemption Principal Amount*. The Redemption Principal Amount for any Note called for Redemption shall be determined as follows:

(i) If called for Redemption before the Shelf Effectiveness Date, the Redemption Principal Amount of such Note shall be equal to an amount that is the greater of (a) the principal amount of such Note and (b) the sum of one-tenth (1/10th) of the product of (y) the Conversion Rate on a given VWAP Trading Day and (z) the Daily VWAP per Ordinary Share on such VWAP Trading Day, for each of the ten (10) consecutive VWAP Trading Days beginning on, and including, the third (3rd) VWAP Trading Day immediately after the relevant Redemption Date.

(ii) If called for Redemption on or after the Shelf Effectiveness Date but before the second anniversary of the Issue Date, the Redemption Principal Amount of such Note shall be the principal amount of such Notes.

(iii) If called for Redemption on or after the second anniversary of the Issue Date, the Redemption Principal Amount will be an amount in cash equal to the principal amount of the Note being redeemed, multiplied by the relevant Redemption Multiplier.

Unless the Company defaults in the payment of the Redemption Price, interest will cease

to accrue on the Notes or portions thereof called for Redemption on the applicable Redemption Date.

(C) *Redemption Prohibited in Certain Circumstances*. If the principal amount of the Notes has been accelerated and such acceleration has not been rescinded on or before the Redemption Date (including as a result of the payment of the related Redemption Price and any related interest pursuant to the proviso to **Section 4.03(E)**, on such Redemption Date), then (i) the Company may not call for Redemption or otherwise redeem any Notes pursuant to this **Section 4.03**; and (ii) the Company will cause any Notes theretofore surrendered for such Redemption to be returned to the Holders thereof (or, if applicable with respect to Global Notes, cancel any instructions for book-entry transfer to the Company, the Trustee or the Paying Agent of the applicable Book-Entry Interests in such Notes in accordance with the Applicable Procedures).

(D) *Redemption Date*. The Redemption Date for any Redemption will be a Business Day of the Company's choosing that is no more than sixty (60), nor less than forty-five (45), Scheduled Trading Days after the Redemption Notice Date for such Redemption.

(E) *Redemption Price*. The Redemption Price for any Note called for Redemption is an amount in cash equal to the sum of (i) the relevant Redemption Principal Amount (as set forth in clause (B) of this **Section 4.03**), (ii) the Make-Whole Premium as of the Redemption Date and (iii) accrued and unpaid interest, on such Note to, but excluding, the Redemption Date for such Redemption; *provided*, *however*, that if such Redemption Date is after a Regular Record Date and on or before the next Interest Payment Date, then (i) the Holder of such Note at the Close of Business on such Regular Record Date will be entitled, notwithstanding such Redemption, to receive, on or, at the Company's election, before such Interest Payment Date, the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date (in the case of Global Notes, payable in accordance with the Applicable Procedures) (assuming, solely for these purposes, that such Note remained outstanding through such Interest Payment Date, if such Redemption Date is before such Interest Payment Date); and (ii) the Redemption Price will not include accrued and unpaid interest on such Note to, but excluding, such Redemption Date. For the avoidance of doubt, if an Interest Payment Date is not a Business Day within the meaning of **Section 2.05(G)** and such Redemption Date occurs on the Business Day immediately after such Interest Payment Date, then (x) accrued and unpaid interest on Notes to, but excluding, such Interest Payment Date will be paid, in accordance with **Section 2.05(G)**, on the next Business Day to Holders as of the Close of Business on the immediately preceding Regular Record Date; and (y) the Redemption Price will include interest on Notes to be redeemed from, and including, such Interest Payment Date to, but excluding, such Redemption Date. Notwithstanding anything to the contrary in this Indenture and the Notes, all interest solely for purposes of this **Section 4.03** shall be calculated as if the Company elected Cash Interest consisting exclusively of cash.

(F) *Redemption Notice*. To call any Notes for Redemption, the Company must (x) send to each Holder of such Notes, the Trustee and the Paying Agent a written notice of such Redemption (a "**Redemption Notice**"); and (y) substantially contemporaneously therewith, issue a press release through such national newswire service as the Company then uses (or publish the same through such other widely disseminated public medium as the Company then uses, including its website) containing the information set forth in the Redemption Notice.

Such Redemption Notice must state:

(i) that such Notes have been called for Redemption, briefly describing the Company's Redemption right under this Indenture;

(ii) the Redemption Date for such Redemption;

(iii) the Redemption Price per US$1,000 principal amount of Notes for such Redemption (and, if the Redemption Date is after a Regular Record Date and on or before the next Interest Payment Date, the amount, manner and timing of the interest payment payable pursuant to the proviso to **Section 4.03(E)**);

(iv) the name and address of the Paying Agent and the Conversion Agent;

(v) that Notes called for Redemption may be converted at any time before the Close of Business on the Business Day immediately before the Redemption Date (or, if the Company fails to pay the Redemption Price due on such Redemption Date in full, at any time until such time as the Company pays such Redemption Price in full);

(vi) the Conversion Rate in effect on the Redemption Notice Date for such Redemption and a description and quantification of any adjustments to the Conversion Rate that may result from such Redemption; and

(vii) the CUSIP, ISIN and Common Code numbers, if any, of the Notes called for Redemption.

On or before the Redemption Notice Date, the Company will send a copy of such Redemption Notice to the Trustee, the Paying Agent and the Conversion Agent.

(G) *Selection and Conversion of Notes to Be Redeemed in Part*. If less than all Notes then outstanding are called for Redemption, then:

(i) the Notes to be redeemed will be selected by the Company as follows: (1) in the case of Global Notes, in accordance with the Applicable Procedures; and (2) in the case of Physical Notes, the Trustee will select the Notes to be redeemed (in an Authorized Denomination) by lot, on a pro rata basis or in such other manner as it shall deem appropriate and fair; and

(ii) if only a portion of a Note is subject to Redemption and such Note is converted in part, then the converted portion of such Note will be deemed to be from the portion of such Note that was subject to Redemption.

(H) *Payment of the Redemption Price*. Without limiting the Company's obligation to deposit the Redemption Price by the time proscribed by **Section 3.01(B)**, the Company will cause the Redemption Price for a Note (or portion thereof) subject to Redemption to be paid to the Holder thereof on or before the applicable Redemption Date. For the avoidance of doubt, any interest payable pursuant to the proviso to **Section 4.03(E)** on any Note (or portion thereof) subject to Redemption must be paid pursuant to such proviso.

SECTION 4.04. OPTIONAL REDEMPTION FOR CHANGES IN THE TAX LAWS OF THE RELEVANT JURISDICTION.

(A) The Company may redeem the Notes, in whole but not in part (except in respect of Holders that elect otherwise as described below), at the Company's option (a "**Tax Redemption**") at a redemption price equal to the redemption price payable as set forth in Section 4.03(E), *plus* accrued and unpaid interest, if any, to, but excluding, the date fixed by the Company for redemption ("**Tax Redemption Price**") (unless the Tax Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Special Interest Payment Date, in which case Special Interest accrued to the Special Interest Payment Date, if any, will be paid to the Holder of record as of the close of business on such Regular Record Date, and the Tax Redemption Price shall be equal to the redemption price payable as set forth in Section 4.03(E)) if on the next date on which any amount would be payable or delivery owed in respect of the Notes (or, in the case of any Additional Amounts with respect to conversion consideration, the next date on which a Holder may exercise its conversion rights), the Company would be required to pay any Additional Amounts, and the Company cannot avoid any such payment obligation by taking reasonable measures available to the Company (*provided* that changing the Company's jurisdiction is not, a reasonable measure for purposes of this Section 4.04(A)), as a result of:

(i) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a Relevant Jurisdiction that is not announced before and becomes effective after the date of the Subscription Agreement (or, if the applicable Relevant Jurisdiction became a Relevant Jurisdiction on a date after the date of the Subscription Agreement, such later date); or

(ii) any amendment to, or change in, an official interpretation or application regarding such laws, regulations or rulings, including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in administrative practice that is not announced before, and becomes effective after the Issue Date (or, if the applicable Relevant Jurisdiction became a Relevant Jurisdiction on a date after the Issue Date, such later date) (any such amendment or change described in clauses (i) or (ii), a "**Change in Tax Law**").

(B) *Notices of Tax Redemption.*

(i) In case the Company exercises its Tax Redemption right pursuant to Section 4.04(A), it shall fix a date for Tax Redemption (each, a "**Tax Redemption Date**") and it shall deliver or cause to be delivered a written notice of such Tax Redemption (a "**Notice of Tax Redemption**") not less than forty-five (45) nor more than sixty (60) days prior to the Tax Redemption Date to the Trustee, the Paying Agent, the Conversion Agent and each Holder of Notes (the date such notice is delivered, the "**Tax Redemption Notice Date**"). The Tax Redemption Date must be a Business Day. Simultaneously with providing a Notice of Tax Redemption, the Company shall publish, or cause to be published, a notice containing the information set forth in such Notice of Tax Redemption on the Company's website or through such other public medium as the Company may use at that time.

(ii) In the case of Additional Amounts payable with respect to amounts other than potential conversion consideration, the Company will not give any such Notice of Tax

Redemption earlier than 90 days prior to the earliest date on which the Company would be obligated to pay Additional Amounts, and, at the time such Notice of Tax Redemption is given, the obligation to pay Additional Amounts must remain in effect.

(iii) The Notice of Tax Redemption, if delivered in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Notice of Tax Redemption in the manner herein provided or any defect in the Notice of Tax Redemption to the Holder of any Note designated for Tax Redemption shall not affect the validity of the proceedings for the Tax Redemption of any other Note.

(iv) Each Notice of Tax Redemption shall specify:

(1) the Tax Redemption Date;

(2) the Tax Redemption Price;

(3) the place or places where such Notes are to be surrendered for payment of the Tax Redemption Price;

(4) that on the Tax Redemption Date, the Tax Redemption Price will become due and payable upon each Note to be redeemed, and that the Special Interest thereon, if any, shall cease to accrue on and after the Tax Redemption Date;

(5) that Holders may surrender all or any portion of their Notes for conversion at any time on or after the Tax Redemption Notice Date and prior to the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date;

(6) that Holders have the right to elect not to have their Notes redeemed by delivering to the Trustee written notice to that effect not later than the 15th calendar day prior to the Tax Redemption Date;

(7) that Holders who wish to elect not to have their Notes redeemed must satisfy the requirements set forth in this Indenture;

(8) that, on and after the Tax Redemption Date, Holders who elect not to have their Notes redeemed will not receive any Additional Amounts on any payments with respect to such Notes (whether upon conversion, repurchase, maturity or otherwise), and all subsequent payments with respect to the Notes will be subject to any tax required to be withheld or deducted under the laws of the Relevant Jurisdiction, *provided* that a Holder complying with the requirements for conversion described under Section 5.02 before the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date will be deemed to have validly delivered a notice of its election not to have its Notes redeemed, and the Company, will pay Additional Amounts, if any are due, with respect to such Holder's conversion of its Notes;

(9) the Conversion Rate (including any Additional Shares added thereto for Holders that convert their at any time from, and including, the Tax Redemption Notice Date until the close of business on the second Scheduled Trading Day immediately preceding the related Tax Redemption Date); and

(10) the CUSIP, ISIN, Common Code or other similar numbers, if any, assigned to such Notes.

A Notice of Tax Redemption shall be irrevocable.

(C) *Payment of Notes Called for Tax Redemption.*

(i) If any Notice of Tax Redemption has been given in respect of the Notes in accordance with Section 4.04(B), the Notes shall become due and payable on the Tax Redemption Date at the place or places stated in the Notice of Tax Redemption and at the applicable Tax Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Notice of Tax Redemption, the Notes shall be paid and redeemed by the Company at the applicable Tax Redemption Price.

(ii) The Company will, subject to Section 4.04, deposit with the Paying Agent (or any other agent appointed for this purpose by the Company), or if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 2.07 on or prior to 10:00 a.m., New York City time, on the Tax Redemption Date an amount of cash in immediately available funds, sufficient to pay the Tax Redemption Price of all of the Notes to be redeemed on such Tax Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Tax Redemption Date for such Notes. The Paying Agent shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Tax Redemption Price.

(D) *Restrictions on Tax Redemption.* The Company may not redeem any Notes on any date if the principal amount of the Notes has been accelerated in accordance with the terms of this Indenture, and such acceleration has not been rescinded, on or prior to the Tax Redemption Date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Tax Redemption Price with respect to such Notes).

Article 5. CONVERSION

SECTION 5.01. RIGHT TO CONVERT.

(A) *Generally*. Subject to the provisions of this **Article 5**, each Holder may, at its option, convert such Holder's Notes into Conversion Consideration.

(B) *Conversions in Part*. Subject to the terms of this Indenture, Notes may be converted in part, but only in Authorized Denominations. Provisions of this **Article 5** applying to the conversion of a Note in whole will equally apply to conversions of a permitted portion of a Note.

(C) *When Notes May Be Converted*.

(i) *Generally*. A Holder may convert its Notes at any time until the Close of Business on the second (2nd) Scheduled Trading Day immediately before the Maturity Date.

(ii) *Limitations and Closed Periods*. Notwithstanding anything to the contrary in this Indenture or the Notes:

(1) Notes may be surrendered for conversion only after the Open of Business and before the Close of Business on a day that is a Business Day;

(2) in no event may any Note be converted after the Close of Business on the second (2nd) Scheduled Trading Day immediately before the Maturity Date;

(3) if the Company calls any Note for Redemption pursuant to **Section 4.03**, then the Holder of such Note may not convert such Note after the Close of Business on the Business Day immediately before the applicable Redemption Date or the Tax Redemption Date, except to the extent the Company fails to pay the Redemption Price for such Note in accordance with this Indenture;

(4) if a Fundamental Change Repurchase Notice is validly delivered pursuant to **Section 4.02(F)** with respect to any Note, then such Note may not be converted, except to the extent (a) such notice is withdrawn in accordance with **Section 4.02(F)**; or (b) the Company fails to pay the Fundamental Change Repurchase Price for such Note in accordance with this Indenture; and

(5) Physical Notes may not be converted within ten (10) Business Days prior to a mandatory exchange of Physical Notes for Global Notes.

SECTION 5.02. CONVERSION PROCEDURES.

(A) *Generally*.

(i) *Global Notes*. To convert a Book-Entry Interest in a Global Note, the owner of such Book-Entry Interest must (1) comply with the Applicable Procedures for converting such Book-Entry Interest (at which time such conversion will become irrevocable); and (2) pay any amounts due pursuant to **Section 5.02(D)**.

(ii) *Physical Notes*. To convert all or a portion of a Physical Note, the Holder of such Note must (1) complete, manually sign and deliver to the Conversion Agent the notice of conversion attached to such Physical Note or a facsimile of such notice of conversion; (2) deliver such Physical Note to the Conversion Agent (at which time such conversion will become irrevocable); (3) furnish any endorsements and transfer documents that the Company or the Conversion Agent may require; and (4) pay any amounts due pursuant to **Section 5.02(D)** (a notice pursuant to the Applicable Procedures as set forth in **(A)** or a notice of conversion attached to a Physical Note as set forth in this **(A)**, a "**Notice of Conversion**").

(B) *Effect of Converting a Note*. At the Close of Business on the Conversion Date for a Note (or any portion thereof) to be converted, such Note (or such portion) will (unless there occurs a Default in the delivery of the Conversion Consideration or interest due, pursuant to **Section 5.03(B)** or **5.02(D)**, upon such conversion) be deemed to cease to be outstanding (and, for the avoidance of doubt, no Person will be deemed to be a Holder of such Note (or such portion thereof) as of the Close of Business on such Conversion Date), except to the extent provided in **Section 5.02(D)**.

(C) *Holder of Record of Conversion Shares*. The Person in whose name any Ordinary Share is issuable upon conversion of any Note will be deemed to become the holder of record of such share as of the Close of Business on the Conversion Date for such conversion.

(D) *Interest Payable upon Conversion in Certain Circumstances*. If the Conversion Date of a Note is after a Regular Record Date and before the next Interest Payment Date, then (i) the Holder of such Note at the Close of Business on such Regular Record Date will be entitled, notwithstanding such conversion (and, for the avoidance of doubt, notwithstanding anything set forth in the proviso to this sentence), to receive, on or, at the Company's election, before such Interest Payment Date, the unpaid interest that would have accrued on such Note to, but excluding, such Interest Payment Date (assuming, solely for these purposes, that such Note remained outstanding through such Interest Payment Date); and (ii) the Holder surrendering such Note for conversion must deliver to the Conversion Agent, at the time of such surrender, an amount of cash equal to the amount of such interest referred to in clause (i) above; *provided*, *however*, that the Holder surrendering such Note for conversion need not deliver such cash (w) if the Company has specified a Redemption Date that is after such Regular Record Date and on or before the Business Day immediately after such Interest Payment Date; (w) if such Conversion Date occurs after the Regular Record Date immediately before the Maturity Date; (x) if the Company has specified the Tax Redemption Date that is after such Regular Record Date and on or before the Business Day immediately after such Interest Payment Date; (y) if the Company has specified a Fundamental Change Repurchase Date that is after such Regular Record Date and on or before the Business Day immediately after such Interest Payment Date; or (z) to the extent of any overdue interest or interest that has accrued on any overdue interest. For the avoidance of doubt, as a result of, and without limiting the generality of, the foregoing, if a Note is converted with a Conversion Date that is after the Regular Record Date immediately before the Maturity Date, any Redemption Date described in clause (w) above, any Tax Redemption Date described in clause (x) above and any Fundamental Change Repurchase Date described in clause (y) above, then the Company will pay, as provided above, the interest that would have accrued on such Note to, but excluding, the Maturity Date or other applicable Interest Payment Date to Holders as of the Close of Business on the Regular Record Date immediately before the Maturity Date. For the avoidance of doubt, if the Conversion Date of a Note to be converted is on an Interest Payment Date, then the Holder of such Note at the Close of Business on the Regular Record Date immediately before such Interest Payment Date will be entitled to receive, on such Interest Payment Date, the unpaid interest that has accrued on such Note to, but excluding, such Interest Payment Date, and such Note, when surrendered for conversion, need not be accompanied by any cash amount pursuant to the first sentence of this **Section 5.02(D)**.

(E) *Taxes and Duties*. If a Holder converts a Note, the Company will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of any Ordinary Shares

upon such conversion; *provided*, *however*, that if any tax or duty is due because such Holder requested such shares to be registered in a name other than such Holder's name, then such Holder will pay such tax or duty.

(F) *Conversion Agent to Notify Company of Conversions*. If any Note is submitted for conversion to the Conversion Agent or the Conversion Agent receives any written notice of conversion with respect to a Note, then the Conversion Agent will promptly (and, in any event, no later than the Business Day following the date the Conversion Agent receives such Note or notice) notify the Company and the Trustee of such occurrence, together with any other information reasonably requested by the Company, and will cooperate with the Company to determine the Conversion Date for such Note.

SECTION 5.03. SETTLEMENT UPON CONVERSION.

(A) *[Reserved.]*

(B) *Conversion Consideration*.

(i) *Generally*. Subject to **Section 5.03(B)(ii)** and **Section 5.03(B)(iii)**, the type and amount of consideration (the "**Conversion Consideration**") due in respect of each US$1,000 principal amount of a Note to be converted will be a number of Ordinary Shares equal to the Conversion Rate in effect on the Conversion Date for such conversion.

(ii) *Cash in Lieu of Fractional Shares*. If the number of Ordinary Shares deliverable pursuant to **Section 5.03(B)(i)** upon conversion of any Note is not a whole number, then such number will be rounded down to the nearest whole number and the Company will deliver, in addition to the other consideration due upon such conversion, cash in lieu of the related fractional share ("**Fractional Ordinary Share**") in an amount equal to the product of (1) such fraction and (2) the Last Reported Sale Price per Ordinary Share on the Conversion Date for such conversion (or, if such Conversion Date is not a Trading Day, the immediately preceding Trading Day).

(iii) *Conversion of Multiple Notes by a Single Holder*. If a Holder converts more than one (1) Note on a single Conversion Date, then the Conversion Consideration due in respect of such conversion will (in the case of any Global Note, to the extent permitted by, and practicable under, the Applicable Procedures) be computed based on the total principal amount of Notes converted on such Conversion Date by such Holder.

(C) *Delivery of the Conversion Consideration*. Except as set forth in **Sections 5.05(C)** and **5.09**, the Company will deliver the Conversion Consideration due upon the conversion of any Note to the Holder on the second (2nd) Business Day immediately after the Conversion Date for such conversion; *provided*, *however*, that if a Note is converted with a Conversion Date that is after the Regular Record Date immediately before the Maturity Date, then, solely for purposes of such conversion, (x) the Company will deliver the Conversion Consideration due upon such conversion on the Maturity Date (or, if the Maturity Date is not a Business Day, the next Business Day); and (y) the Conversion Date will instead be deemed to be the second (2nd) Business Day immediately before the Maturity Date.

(D) *Deemed Payment of Principal and Interest; Settlement of Accrued Interest Notwithstanding Conversion*. If a Holder converts a Note, then the Company will not adjust the Conversion Rate to account for any accrued and unpaid interest on such Note, and, except as provided in **Section 5.02(D)**, the Company's delivery of the Conversion Consideration due in respect of such conversion will be deemed to fully satisfy and discharge the Company's obligation to pay the principal of, and accrued and unpaid interest, if any, on, such Note to, but excluding the Conversion Date. As a result, except as provided in **Section 5.02(D)**, any accrued and unpaid interest on a converted Note will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

SECTION 5.04. SHARES TO BE FULLY PAID.

The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient Ordinary Shares to provide for conversion of the Notes from time to time as such Notes are presented for conversion. Each Conversion Share delivered upon conversion of any Note will be duly and validly issued, fully paid, non-assessable and free of any lien or adverse claim (except to the extent of any lien or adverse claim created by the action or inaction of the Holder of such Note or the Person to whom such Conversion Share will be delivered). If the Ordinary Shares are then listed on any securities exchange, or quoted on any inter-dealer quotation system, then the Company will cause each Conversion Share, when delivered upon conversion of any Note to be admitted for listing on such exchange or quotation on such system.

SECTION 5.05. ADJUSTMENTS TO THE CONVERSION RATE.

(A) *Events Requiring an Adjustment to the Conversion Rate*. The Conversion Rate will be adjusted from time to time as follows:

(i) *Stock Dividends, Splits and Combinations*. If the Company issues solely Ordinary Shares as a dividend or distribution on all or substantially all Ordinary Shares, or if the Company effects a stock or share split or a stock or share combination of the Ordinary Shares (in each case excluding an issuance solely pursuant to an Ordinary Shares Change Event, as to which **Section 5.09** will apply), then the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Open of Business on the Ex-Dividend Date for such dividend or distribution, or immediately before the Open of Business on the effective date of such stock split or stock combination, as applicable;

CR_1 = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date or effective date, as applicable;

OS_0 = the number of Ordinary Shares outstanding immediately before the Open of Business on such Ex-Dividend Date or effective date, as applicable, without giving effect to such dividend, distribution, stock split or stock combination; and

OS_1 = the number of Ordinary Shares outstanding immediately after giving effect to such dividend, distribution, stock split or stock combination.

If any dividend, distribution, stock split or stock combination of the type described in this **Section 5.05(A)(i)** is declared or announced, but not so paid or made, then the Conversion Rate will be readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution or to effect such stock split or stock combination, to the Conversion Rate that would then be in effect had such dividend, distribution, stock split or stock combination not been declared or announced.

(ii) *Rights, Options and Warrants*. If the Company distributes, to all or substantially all holders of Ordinary Shares, rights, options or warrants (other than rights issued or otherwise distributed pursuant to a stockholder rights plan, as to which **Sections 5.05(A)(iii)(1)** and **5.05(F)** will apply) entitling such holders, for a period of not more than sixty (60) calendar days after the record date of such distribution, to subscribe for or purchase Ordinary Shares at a price per share that is less than the average of the Last Reported Sale Prices per Ordinary Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before the date such distribution is announced, then the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS + X}{OS + Y}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Open of Business on the Ex-Dividend Date for such distribution;

CR_1 = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date;

OS = the number of Ordinary Shares outstanding immediately before the Open of Business on such Ex-Dividend Date;

X = the total number of Ordinary Shares issuable pursuant to such rights, options or warrants; and

Y = a number of Ordinary Shares obtained by dividing (x) the aggregate price payable to exercise such rights, options or warrants by (y) the average of the Last Reported Sale Prices per Ordinary Share for the ten (10)

consecutive Trading Days ending on, and including, the Trading Day immediately before the date such distribution is announced.

To the extent such rights, options or warrants are not so distributed, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the increase to the Conversion Rate for such distribution been made on the basis of only the rights, options or warrants, if any, actually distributed. In addition, to the extent that Ordinary Shares are not delivered after the expiration of such rights, options or warrants (including as a result of such rights, options or warrants not being exercised), the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the increase to the Conversion Rate for such distribution been made on the basis of delivery of only the number of Ordinary Shares actually delivered upon exercise of such rights, option or warrants.

For purposes of this **Section 5.05(A)(ii)** in determining whether any rights, options or warrants entitle holders of Ordinary Shares to subscribe for or purchase Ordinary Shares at a price per share that is less than the average of the Last Reported Sale Prices per Ordinary Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before the date the distribution of such rights, options or warrants is announced, and in determining the aggregate price payable to exercise such rights, options or warrants, there will be taken into account any consideration the Company receives for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration, if not cash, to be determined by the Board of Directors.

(iii) *Spin-Offs and Other Distributed Property*.

(1) *Distributions Other than Spin-Offs*. If the Company distributes shares of its Capital Stock, evidences of its indebtedness or other assets or property of the Company, or rights, options or warrants to acquire Capital Stock of the Company or other securities, to all or substantially all holders of the Ordinary Shares, excluding:

(u) dividends, distributions, rights, options or warrants for which an adjustment to the Conversion Rate is required pursuant to **Section 5.05(A)(i)** or **5.05(A)(ii)**;

(v) dividends or distributions paid exclusively in cash for which an adjustment to the Conversion Rate is required pursuant to **Section 5.05(A)(iv)**;

(w) rights issued or otherwise distributed pursuant to a stockholder or shareholder rights plan, except to the extent provided in **Section 5.05(F)**;

(x) Spin-Offs for which an adjustment to the Conversion Rate is required pursuant to **Section 5.05(A)(iii)(2)**;

(y) a distribution solely pursuant to a tender offer or exchange offer for Ordinary Shares, as to which **Section 5.05(A)(v)** will apply; and

(z) a distribution solely pursuant to an Ordinary Shares Change Event, as to which **Section 5.09** will apply,

then the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP - FMV}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Open of Business on the Ex-Dividend Date for such distribution;

CR_1 = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date;

SP = the average of the Last Reported Sale Prices per Ordinary Share for the ten (10) consecutive Trading Days ending on, and including, the Trading Day immediately before such Ex-Dividend Date; and

FMV = the fair market value (as determined by the Board of Directors), as of such Ex-Dividend Date, of the shares of Capital Stock, evidences of indebtedness, assets, property, rights, options or warrants distributed per Ordinary Share pursuant to such distribution;

provided, *however*, that if FMV is equal to or greater than SP, then, in lieu of the foregoing adjustment to the Conversion Rate, each Holder will receive, for each US$1,000 principal amount of Notes held by such Holder on the record date for such distribution, at the same time and on the same terms as holders of Ordinary Shares, the amount and kind of shares of Capital Stock, evidences of indebtedness, assets, property, rights, options or warrants that such Holder would have received if such Holder had owned, on such record date, a number of Ordinary Shares equal to the Conversion Rate in effect on such record date.

To the extent such distribution is not so paid or made, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually made or paid.

(2) *Spin-Offs*. If the Company distributes or dividends shares of Capital Stock of any class or series, or similar equity interests, of or relating to an Affiliate, a Subsidiary or other business unit of the Company to all or substantially all holders of the Ordinary Shares (other than solely pursuant to (x) an Ordinary Shares Change

Event, as to which **Section 5.09** will apply; or (y) a tender offer or exchange offer for Ordinary Shares, as to which **Section 5.05(A)(v)** will apply), and such Capital Stock or equity interests are listed or quoted (or will be listed or quoted upon the consummation of the transaction) on a U.S. national securities exchange (a "**Spin-Off**"), then the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + SP}{SP}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Close of Business on the last Trading Day of the Spin-Off Valuation Period for such Spin-Off;

CR_1 = the Conversion Rate in effect immediately after the Close of Business on the last Trading Day of the Spin-Off Valuation Period;

FMV = the product of (x) the average of the Last Reported Sale Prices per share or unit of the Capital Stock or equity interests distributed in such Spin-Off over the ten (10) consecutive Trading Day period (the "**Spin-Off Valuation Period**") beginning on, and including, the Ex-Dividend Date for such Spin-Off (such average to be determined as if references to Ordinary Shares in the definitions of Last Reported Sale Price, Trading Day and Market Disruption Event were instead references to such Capital Stock or equity interests); and (y) the number of shares or units of such Capital Stock or equity interests distributed per Ordinary Share in such Spin-Off; and

SP = the average of the Last Reported Sale Prices per Ordinary Share for each Trading Day in the Spin-Off Valuation Period.

Notwithstanding anything to the contrary in this **Section 5.05(A)(iii)(2)**, if the Conversion Date for a Note to be converted occurs during the Spin-Off Valuation Period for such Spin-Off, then, solely for purposes of determining the Conversion Consideration for such conversion, such Spin-Off Valuation Period will be deemed to consist of the Trading Days occurring in the period from, and including, the Ex-Dividend Date for such Spin-Off to, and including, such Conversion Date.

To the extent any dividend or distribution of the type set forth in this **Section 5.05(A)(iii)(2)** is declared but not made or paid, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(iv) *Cash Dividends or Distributions*. If any cash dividend or distribution is

made to all or substantially all holders of Ordinary Shares, then the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP - D}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Open of Business on the Ex-Dividend Date for such dividend or distribution;

CR_1 = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date;

SP = the Last Reported Sale Price per Ordinary Share on the Trading Day immediately before such Ex-Dividend Date; and

D = the cash amount distributed per Ordinary Share in such dividend or distribution;

provided, *however*, that if D is equal to or greater than SP, then, in lieu of the foregoing adjustment to the Conversion Rate, each Holder will receive, for each US$1,000 principal amount of Notes held by such Holder on the record date for such dividend or distribution, at the same time and on the same terms as holders of Ordinary Shares, the amount of cash that such Holder would have received if such Holder had owned, on such record date, a number of Ordinary Shares equal to the Conversion Rate in effect on such record date.

To the extent such dividend or distribution is declared but not made or paid, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(v) *Tender Offers or Exchange Offers*. If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for Ordinary Shares (other than solely pursuant to an odd-lot tender offer pursuant to Rule 13e-4(h)(5) under the Exchange Act), and the value (determined as of the Expiration Time by the Board of Directors) of the cash and other consideration paid per Ordinary Share in such tender or exchange offer exceeds the Last Reported Sale Price per Ordinary Share on the Trading Day immediately after the last date (the "**Expiration Date**") on which tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended), then the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP \times OS_1)}{SP \times OS_0}$$

where:

CR_0 = the Conversion Rate in effect immediately before the Close of Business on the last Trading Day of the Tender/Exchange Offer Valuation Period for such tender or exchange offer;

CR_1 = the Conversion Rate in effect immediately after the Close of Business on the last Trading Day of the Tender/Exchange Offer Valuation Period;

AC = the aggregate value (determined as of the time (the "**Expiration Time**") such tender or exchange offer expires by the Board of Directors) of all cash and other consideration paid for Ordinary Shares purchased or exchanged in such tender or exchange offer;

OS_0 = the number of Ordinary Shares outstanding immediately before the Expiration Time (including all Ordinary Shares accepted for purchase or exchange in such tender or exchange offer);

OS_1 = the number of Ordinary Shares outstanding immediately after the Expiration Time (excluding all Ordinary Shares accepted for purchase or exchange in such tender or exchange offer); and

SP = the average of the Last Reported Sale Prices per Ordinary Share over the ten (10) consecutive Trading Day period (the "**Tender/Exchange Offer Valuation Period**") beginning on, and including, the Trading Day immediately after the Expiration Date;

provided, *however*, that the Conversion Rate will in no event be adjusted down pursuant to this **Section 5.05(A)(v)**, except to the extent provided in the immediately following paragraph. Notwithstanding anything to the contrary in this **Section 5.05(A)(v)**, if the Conversion Date for a Note to be converted occurs during the Tender/Exchange Offer Valuation Period for such tender or exchange offer, then, solely for purposes of determining the Conversion Consideration for such conversion, such Tender/Exchange Offer Valuation Period will be deemed to consist of the Trading Days occurring in the period from, and including, the Trading Day immediately after the Expiration Date to, and including, such Conversion Date.

To the extent such tender or exchange offer is announced but not consummated (including as a result of the Company being precluded from consummating such tender or exchange offer under applicable law), or any purchases or exchanges of Ordinary Shares in such tender or exchange offer are rescinded, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the purchases or exchanges of Ordinary Shares, if any, actually made, and not rescinded, in such tender or exchange offer.

(vi) *Equity Raises Below the Reference Price*. If (i) the Company issues (x) Ordinary Shares and/or (y) any security convertible into Ordinary Shares, (ii) the number

of Ordinary Shares so issued (including the full number of Ordinary Shares underlying any such convertible securities), in the aggregate (in one or a series of transactions) exceeds 2.5% of the number of outstanding Ordinary Shares as of the Issue Date and (iii) the average price per Ordinary Share (or in the case of convertible securities with an effective conversion price per Ordinary Share) of such issuances, as determined by the Board of Directors in good faith (the "**Issue Price**"), is less than the Reference Price, then the Conversion Rate will be increased to be equal to US$1,000 *divided by* the Issue Price. For the avoidance of doubt the Conversion Rate will not be adjusted pursuant to this clause 5.05(A)(vi) for (x) any issuance of Conversion Shares, (y) any event requiring adjustment pursuant to another clause of this section 5.05(A) or (z) any event of a type enumerated in clauses (2)-(4) of section 5.05(B)(ii). The Company shall deliver a written notice of adjustment to the Holders, the Trustee and the Conversion Agent, and shall not be obligated to enter into a supplemental indenture in connection with such adjustment.

(B) *No Adjustments in Certain Cases*.

(i) *Where Holders Participate in the Transaction or Event Without Conversion*. Notwithstanding anything to the contrary in **Section 5.05(A)**, the Company will not be obligated to adjust the Conversion Rate on account of a transaction or other event otherwise requiring an adjustment pursuant to **Section 5.05(A)** (other than a stock or share split or combination of the type set forth in **Section 5.05(A)(i)** or a tender or exchange offer of the type set forth in **Section 5.05(A)(v)**) if each Holder participates, at the same time and on the same terms as holders of Ordinary Shares, and solely by virtue of being a Holder of Notes, in such transaction or event without having to convert such Holder's Notes and as if such Holder held a number of Ordinary Shares equal to the product of (i) the Conversion Rate in effect on the related record date; and (ii) the aggregate principal amount (expressed in thousands) of Notes held by such Holder on such date.

(ii) *Certain Events*. The Company will not be required to adjust the Conversion Rate except as provided in **Section 5.05**. Without limiting the foregoing, the Company will not be obligated to adjust the Conversion Rate on account of:

(1) except as otherwise provided in **Section 5.05**, the sale of Ordinary Shares for a purchase price that is less than the market price per Ordinary Share or less than the Conversion Price;

(2) the issuance of any Ordinary Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Ordinary Shares under any such plan;

(3) the issuance of any Ordinary Shares or options or rights to purchase Ordinary Shares pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, the Company or any of its Subsidiaries;

(4) the issuance of any Ordinary Shares pursuant to any option, warrant, right or convertible or exchangeable security of the Company outstanding as of the

Issue Date;

(5) solely a change in the par value of the Ordinary Shares; or

(6) accrued and unpaid interest, if any, on the Notes.

(C) *[Reserved.]*

(D) *Adjustments Not Yet Effective*. Notwithstanding anything to the contrary in this Indenture or the Notes, if:

(i) a Note is to be converted;

(ii) the record date, effective date or Expiration Time for any event that requires an adjustment to the Conversion Rate pursuant to **Section 5.05(A)** has occurred on or before the Conversion Date for such conversion, but an adjustment to the Conversion Rate for such event has not yet become effective as of such Conversion Date;

(iii) the Conversion Consideration due upon such conversion includes any whole Ordinary Share; and

(iv) such shares are not entitled to participate in such event (because they were not held on the related record date or otherwise),

then, solely for purposes of such conversion, the Company will, without duplication, give effect to such adjustment on such Conversion Date. In such case, if the date on which the Company is otherwise required to deliver the consideration due upon such conversion is before the first date on which the amount of such adjustment can be determined, then the Company will delay the settlement of such conversion until the second (2nd) Business Day after such first date.

(E) *Conversion Rate Adjustments where Converting Holders Participate in the Relevant Transaction or Event*. Notwithstanding anything to the contrary in this Indenture or the Notes, if:

(i) a Conversion Rate adjustment for any dividend or distribution becomes effective on any Ex-Dividend Date pursuant to **Section 5.05(A)**;

(ii) a Note is to be converted;

(iii) the Conversion Date for such conversion occurs on or after such Ex-Dividend Date and on or before the related record date;

(iv) the Conversion Consideration due upon such conversion includes any whole Ordinary Shares; and

(v) such shares would be entitled to participate in such dividend or distribution (including pursuant to **Section 5.02(C)**),

then (x) such Conversion Rate adjustment will not be given effect for such conversion; (y) the

Ordinary Shares issuable upon such conversion based on such unadjusted Conversion Rate will not be entitled to participate in such dividend or distribution; and (z) there will be added, to the Conversion Consideration otherwise due upon such conversion, the same kind and amount of consideration that would have been delivered in such dividend or distribution with respect to such Ordinary Shares had such shares been entitled to participate in such dividend or distribution.

(F) *Stockholder or Shareholder Rights Plans*. If any Ordinary Shares are to be issued upon conversion of any Note and, at the time of such conversion, the Company has in effect any stockholder or shareholder rights plan, then the Holder of such Note will be entitled to receive, in addition to, and concurrently with the delivery of, the Conversion Consideration otherwise payable under this Indenture upon such conversion, the rights set forth in such stockholder or shareholder rights plan, unless such rights have separated from the Ordinary Shares at such time, in which case, and only in such case, the Conversion Rate will be adjusted pursuant to **Section 5.05(A)(iii)(1)** on account of such separation as if, at the time of such separation, the Company had made a distribution of the type referred to in such Section to all holders of the Ordinary Shares, subject to potential readjustment in accordance with the last paragraph of **Section 5.05(A)(iii)(1)**.

(G) *Limitation on Effecting Transactions Resulting in Certain Adjustments*. The Company will not engage in or be a party to any transaction or event that would require the Conversion Rate to be adjusted pursuant to **Section 5.05(A)** to an amount that would result in the Conversion Price per Ordinary Share being less than the par value per Ordinary Share.

(H) *Equitable Adjustments to Prices*. Whenever any provision of this Indenture requires the Company to calculate the average of the Last Reported Sale Prices, or any function thereof, over a period of multiple days (including to calculate an adjustment to the Conversion Rate), the Company will make proportionate adjustments, if any, to such calculations to account for any adjustment to the Conversion Rate pursuant to **Section 5.05(A)(i)** that becomes effective, or any event requiring such an adjustment to the Conversion Rate where the Ex-Dividend Date or effective date, as applicable, of such event occurs, at any time during such period.

(I) *Calculation of Number of Outstanding Ordinary Shares*. For purposes of **Section 5.05(A)**, the number of Ordinary Shares outstanding at any time will (i) include shares issuable in respect of scrip certificates issued in lieu of fractions of Ordinary Shares; and (ii) exclude Ordinary Shares held in the Company's treasury (unless the Company pays any dividend or makes any distribution on Ordinary Shares held in its treasury).

(J) *Calculations*. All calculations with respect to the Conversion Rate and adjustments thereto will be made to the nearest 1/10,000th of an Ordinary Share (with 5/100,000ths rounded upward).

(K) *Notice of Conversion Rate Adjustments*. Upon the effectiveness of any adjustment to the Conversion Rate pursuant to **Section 5.05(A)**, the Company will promptly send written notice to the Holders, the Trustee and the Conversion Agent containing (i) a brief description of the transaction or other event on account of which such adjustment was made; (ii) the Conversion Rate in effect immediately after such adjustment; and (iii) the effective time of such adjustment.

SECTION 5.06. [RESERVED.]

SECTION 5.07. [RESERVED.]

SECTION 5.08. [RESERVED.]

SECTION 5.09. EFFECT OF ORDINARY SHARES CHANGE EVENT.

(A) *Generally*. If there occurs any:

(i) recapitalization, reclassification or change of the Ordinary Shares (other than (x) changes solely resulting from a subdivision or combination of the Ordinary Shares, (y) a change only in par value or from par value to no par value or no par value to par value and (z) stock or share splits and stock or share combinations that do not involve the issuance of any other series or class of securities);

(ii) consolidation, merger, combination or binding or statutory share exchange involving the Company;

(iii) sale, lease or other transfer of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or

(iv) other similar event,

and, as a result of which, the Ordinary Shares are converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing (such an event, an "Ordinary Shares **Change Event**," and such other securities, cash or property, the "**Reference Property**," and the amount and kind of Reference Property that a holder of one (1) Ordinary Share would be entitled to receive on account of such Ordinary Shares Change Event (without giving effect to any arrangement not to issue or deliver a fractional portion of any security or other property), a "**Reference Property Unit**"), then, notwithstanding anything to the contrary in this Indenture or the Notes,

(1) from and after the effective time of such Ordinary Shares Change Event, (I) the Conversion Consideration due upon conversion of any Note will be determined in the same manner as if each reference to any number of Ordinary Shares in this **Article 5** (or in any related definitions) were instead a reference to the same number of Reference Property Units; (II) for purposes of **Section 4.03**, each reference to any number of Ordinary Shares in such Section (or in any related definitions) will instead be deemed to be a reference to the same number of Reference Property Units; and (III) for purposes of the definition of "Fundamental Change," references to "Ordinary Shares" and the Company's "common equity" will be deemed to refer to the common equity, if any, forming part of such Reference Property;

(2) if such Reference Property Unit consists entirely of cash, then the Company will pay the cash due in respect of all conversions whose Conversion Date occurs on or after the effective date of such Ordinary Shares Change Event no later than the second (2nd) Business Day after the relevant Conversion Date; and

(3) for these purposes, (I) the Daily VWAP of any Reference Property Unit or portion thereof that consists of a class of common equity securities will be determined by reference to the definition of "Daily VWAP," substituting, if applicable, the Bloomberg page for such class of securities in such definition; and (II) the Daily VWAP of any Reference Property Unit or portion thereof that does not consist of a class of common equity securities, and the Last Reported Sale Price of any Reference Property Unit or portion thereof that does not consist of a class of securities will be the fair value of such Reference Property Unit or portion thereof, as applicable, determined in good faith by the Company (or, in the case of cash denominated in U.S. dollars, the face amount thereof).

If the Reference Property consists of more than a single type of consideration to be determined based in part upon any form of stockholder or shareholder election, then the composition of the Reference Property Unit will be deemed to be the weighted average of the types and amounts of consideration actually received, per Ordinary Share, by the holders of Ordinary Shares. The Company will notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made.

At or before the effective time of such Ordinary Shares Change Event, the Company and the resulting, surviving or transferee Person (if not the Company) of such Ordinary Shares Change Event (the "**Successor Person**") will execute and deliver to the Trustee a supplemental indenture pursuant to **Section 8.01(F)**, which supplemental indenture will (x) provide for subsequent conversions of Notes in the manner set forth in this **Section 5.09**; (y) provide for subsequent adjustments to the Conversion Rate pursuant to **Section 5.05(A)** in a manner consistent with this **Section 5.09**; and (z) contain such other provisions, if any, that the Company reasonably determines are appropriate to preserve the economic interests of the Holders and to give effect to the provisions of this **Section 5.09(A)**. If the Reference Property includes shares, shares of stock or other securities or assets (other than cash) of a Person other than the Successor Person, then such other Person will also execute such supplemental indenture and such supplemental indenture will contain such additional provisions, if any, that the Company reasonably determines are appropriate to preserve the economic interests of the Holders.

(B) *Notice of Ordinary Shares Change Events*. The Company will provide notice of each Ordinary Shares Change Event to Holders, the Trustee and the Conversion Agent no later than the effective date of such Ordinary Shares Change Event.

(C) *Compliance Covenant*. The Company will not become a party to any Ordinary Shares Change Event unless its terms are consistent with this **Section 5.09**.

SECTION 5.10. RESPONSIBILITY OF TRUSTEE AND CONVERSION AGENT

The Trustee and Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and Conversion Agent shall not be accountable with respect to the

validity or value (or the kind or amount) of any Ordinary Shares, or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note; and the Trustee and Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any Ordinary Shares or stock or share certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to (a) determine whether a supplemental indenture needs to be entered into or (b) determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 5.09 relating either to the kind or amount of shares of stock or shares or securities or property (including cash) receivable by Holders upon the conversion of their Notes after any event referred to in such Section 5.09 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 11.01, may accept (without any independent investigation) as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officer's Certificate (which the Company will be obligated to deliver to the Trustee and the Conversion Agent prior to the execution of any such supplemental indenture) with respect thereto. Neither the Trustee nor the Conversion Agent shall be responsible for determining whether any event contemplated by Section 5.01 has occurred that makes the Notes eligible for conversion or no longer eligible therefor until the Company has delivered to the Trustee and the Conversion Agent the notices referred to in Section 5.01 with respect to the commencement or termination of such conversion rights, on which notices the Trustee and the Conversion Agent may conclusively rely.

Article 6. SUCCESSORS

SECTION 6.01. WHEN THE COMPANY MAY MERGE, ETC.

(A) *Generally*. The Company will not consolidate with or merge with or into, or (directly, or indirectly through one or more of its Subsidiaries) sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to another Person (a "**Business Combination Event**"), unless:

(i) the resulting, surviving or transferee Person either (x) is the Company or (y) if not the Company, is an exempted company or a corporation (the "**Successor Corporation**") duly incorporated and existing under the laws of the Cayman Islands, the United States of America, any State thereof or the District of Columbia that expressly assumes (by executing and delivering to the Trustee, at or before the effective time of such Business Combination Event, a supplemental indenture pursuant to **Section 8.01(E)**) all of the Company's obligations under this Indenture and the Notes, and the Successor Corporation will take such action (or agree to take such action) and deliver such agreements, instruments, or documents as may be necessary or appropriate to cause any property or assets that constitute Collateral owned by or transferred to the Successor Corporation to be subject to the Liens of the Collateral Agent in the manner and to the extent required under this Indenture;

(ii) immediately after giving effect to such Business Combination Event, no

Default or Event of Default will have occurred and be continuing; and

(iii) the Company or the Successor Corporation, if not the Company, shall have delivered to the Trustee and the Collateral Agent an Officer's Certificate and Opinion of Counsel, each stating that (i) such Business Combination Event (and, if applicable, the related supplemental indenture) complies with **Section 6.01(A)**; and (ii) all conditions precedent to such Business Combination Event provided in this Indenture have been satisfied.

SECTION 6.02. SUCCESSOR CORPORATION SUBSTITUTED.

At the effective time of any Business Combination Event that complies with **Section 6.01**, the Successor Corporation (if not the Company) will succeed to, and may exercise every right and power of, the Company under this Indenture and the Notes with the same effect as if such Successor Corporation had been named as the Company in this Indenture and the Notes, and, except in the case of a lease, the predecessor Company will be discharged from its obligations under this Indenture and the Notes.

Article 7. DEFAULTS AND REMEDIES

SECTION 7.01. EVENTS OF DEFAULT.

(A) *Definition of Events of Default*. "**Event of Default**" means the occurrence of any of the following:

(i) a default in the payment when due (whether at maturity, upon Redemption or Repurchase Upon Fundamental Change or otherwise) of the principal of, or the Redemption Price or Fundamental Change Repurchase Price for, any Note;

(ii) a default for thirty (30) consecutive days in (x) the payment of interest and/or (y) the crediting of PIK Interest or issuance of PIK Notes, as applicable, when due on any Note;

(iii) the Company's failure to deliver, when required by this Indenture, a Fundamental Change Notice pursuant to Section 4.04(B);

(iv) a default in the Company's obligation to convert a Note in accordance with **Article 5** upon the exercise of the conversion right with respect thereto, if such default is not cured within three (3) Business Days after its occurrence;

(v) a default in the Company's obligations under **Section 6.01(A)** or in any Guarantor's obligations under Section 9.04;

(vi) a default in any of the Company's obligations or agreements, or in any Guarantor's obligations or agreements, under this Indenture or the Notes (other than a default set forth in **clause (i)**, **(ii)**, **(iii)**, **(iv)** or **(v)** of this **Section 7.01(A)**) where such default is not cured or waived within sixty (60) days after notice to the Company by the Trustee, or to the Company and the Trustee by Holders of at least twenty five percent (25%)

of the aggregate principal amount of Notes then outstanding, which notice must specify such default, demand that it be remedied and state that such notice is a "Notice of Default";

(vii) a default by the Company or any of the Company's Subsidiaries with respect to any one or more mortgages, agreements or other instruments under which there is outstanding, or by which there is secured or evidenced, any indebtedness for money borrowed of at least ten million dollars (US$10,000,000.00) (or its foreign currency equivalent) in the aggregate of the Company or any of the Company's Subsidiaries, whether such indebtedness exists as of the Issue Date or is thereafter created, where such default:

(1) constitutes a failure to pay the principal, or premium or interest on, any of such indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise

(2) results in such indebtedness becoming or being declared due and payable before its stated maturity; or

(3) entitles any creditor of Company or any of the Company's Subsidiaries to declare any indebtedness due and payable prior to its specified maturity as a result of an event of default (however described);

in each case, prior to the expiration of the grace period provided in such indebtedness on the date of such indebtedness;

(viii) any Guarantee ceases to be in full force and effect except as otherwise provided in this Indenture or any Guarantor denies or disaffirms its obligations under its Guarantee;

(ix) one or more final judgments being rendered against the Company or any of the Company's Subsidiaries for the payment of at least ten million dollars (US$10,000,000.00) (or its foreign currency equivalent) in the aggregate (excluding any amounts covered by insurance), where such judgment is not discharged or stayed within sixty (60) days after (i) the date on which the right to appeal the same has expired, if no such appeal has commenced; or (ii) the date on which all rights to appeal have been extinguished; and

(x) the Company, the Guarantors or any of their Significant Subsidiaries, pursuant to or within the meaning of any Bankruptcy Law, either:

(1) commences a voluntary case or proceeding;

(2) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(3) consents to the appointment of a custodian of it or for any substantial part of its property;

(4) makes a general assignment for the benefit of its creditors;

(5) takes any comparable action under any foreign Bankruptcy Law; or

(6) generally is not paying its debts as they become due;

(xi) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that either:

(1) is for relief against the Company, the Guarantors or any of its Significant Subsidiaries in an involuntary case or proceeding;

(2) appoints a custodian of the Company, the Guarantors, or any of their Significant Subsidiaries, or for any substantial part of the property of the Company or any of its Significant Subsidiaries;

(3) orders the winding up or liquidation of the Company, the Guarantors, or any of their Significant Subsidiaries; or

(4) grants any similar relief under any foreign Bankruptcy Law,

and, in each case under this **Section 7.01(A)(xi)**, such order or decree remains unstayed and in effect for at least sixty (60) days; or

(xii) failure by the Company to comply with its obligations under the Registration Rights Agreement, which, in the reasonable determination of Holders of at least twenty five percent (25%) of the aggregate principal amount of Notes then outstanding, is not caused by circumstances beyond the Company's control.

(B) *Cause Irrelevant*. Each of the events set forth in **Section 7.01(A)** will constitute an Event of Default regardless of the cause thereof or whether voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

SECTION 7.02. ACCELERATION.

(A) *Automatic Acceleration in Certain Circumstances*. If an Event of Default set forth in Section 7.01(A)(x), Section 7.01(A)(viii) or 7.01(A)(xi) occurs with respect to the Company or any Guarantor (and not solely with respect to a Significant Subsidiary of the Company or any Guarantor), then the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding will immediately become due and payable without any further action or notice by any Person.

(B) *Optional Acceleration*. Subject to **Section 7.03**, if an Event of Default (other than an Event of Default set forth in Section 7.01(A)(x), Section 7.01(A)(viii), or 7.01(A)(xi) with respect to the Company or any Guarantor and not solely with respect to a Significant Subsidiary of the Company or any Guarantor) occurs and is continuing, then the Trustee, by notice to the Company, or Holders of at least twenty five percent (25%) of the aggregate principal amount of

Notes then outstanding, by notice to the Company and the Trustee, may declare the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding to become due and payable immediately.

(C) *Rescission of Acceleration*. Notwithstanding anything to the contrary in this Indenture or the Notes, the Holders of a majority in aggregate principal amount of the Notes then outstanding, by notice to the Company and the Trustee, may, on behalf of all Holders, rescind any acceleration of the Notes and its consequences if (i) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing Events of Default (except the non-payment of principal of, or interest on, the Notes that has become due solely because of such acceleration) have been cured or waived. No such rescission will affect any subsequent Default or impair any right consequent thereto.

SECTION 7.03. SOLE REMEDY FOR A FAILURE TO REPORT.

(A) *Generally*. Notwithstanding anything to the contrary in this Indenture or the Notes, the Company may elect that the sole remedy for any Event of Default (a "**Reporting Event of Default**") pursuant to **Section 7.01(A)(vi)** arising from the Company's failure to comply with **Section 3.02** will, for each of the first one hundred and eighty (180) calendar days on which a Reporting Event of Default has occurred and is continuing, consist exclusively of the accrual of Special Interest on the Notes. If the Company has made such an election, then (i) the Notes will be subject to acceleration pursuant to **Section 7.02** on account of the relevant Reporting Event of Default from, and including, the one hundred and eighty first (181st) calendar day on which a Reporting Event of Default has occurred and is continuing or if the Company fails to pay any accrued and unpaid Special Interest when due; and (ii) Special Interest will cease to accrue on any Notes from, and including, the earlier of (x) the date such Reporting Event of Default is cured or waived and (y) such one hundred and eighty first (181st) calendar day.

(B) *Amount and Payment of Special Interest*. Any Special Interest that accrues on a Note pursuant to **Section 7.03(A)** will be payable in arrears on the same dates and in the same manner as the Stated Interest on such Note and will accrue at a rate per annum equal to one quarter of one percent (0.25%) of the principal amount thereof for the first ninety (90) days on which Special Interest accrues and, thereafter, at a rate per annum equal to one half of one percent (0.50%) of the principal amount thereof for the duration of the period on which Special Interest accrues; *provided*, *however*, that in no event will Special Interest payable at the Company's election pursuant to **Section 7.03(A)** as the sole remedy for any Reporting Event of Default accrue on any day on a Note at a combined rate per annum that exceeds one half of one percent (0.50%). For the avoidance of doubt, any Special Interest that accrues on a Note pursuant to **Section 7.03(A)** will be in addition to the Stated Interest that accrues on such Note.

(C) *Notice of Election*. To make the election set forth in **Section 7.03(A)**, the Company must send to the Holders, the Trustee and the Paying Agent, before the date on which each Reporting Event of Default first occurs, a notice that (i) briefly describes the report(s) that the Company failed to file with or furnish to the SEC; (ii) states that the Company is electing that the sole remedy for such Reporting Event of Default consist of the accrual of Special Interest pursuant to **Section 7.03(A)**; and (iii) briefly describes the periods during which and rate at which Special Interest will accrue and the circumstances under which the Notes will be subject to acceleration

on account of such Reporting Event of Default.

(D) *Notice to Trustee and Paying Agent; Trustee's Disclaimer*. If Special Interest accrues on any Note pursuant to **Section 7.03(A)**, then, no later than five (5) Business Days before each date on which such Special Interest is to be paid, the Company will deliver an Officer's Certificate to the Trustee and the Paying Agent stating (i) that the Company is obligated to pay Special Interest on such Note pursuant to **Section 7.03(A)** on such date of payment; and (ii) the amount of such Special Interest that is payable on such date of payment. The Trustee will have no duty to determine whether any Special Interest is payable or the amount thereof.

(E) *No Effect on Other Events of Default*. No election pursuant to this **Section 7.03** with respect to a Reporting Event of Default will affect the rights of any Holder with respect to any other Event of Default, including with respect to any other Reporting Event of Default.

SECTION 7.04. OTHER REMEDIES.

(A) *Trustee May Pursue All Remedies*. If an Event of Default occurs and is continuing, then the Trustee may pursue any available remedy to collect the payment of any amounts due with respect to the Notes or to enforce the performance of any provision of this Indenture or the Notes.

(B) *Procedural Matters*. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in such proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy following an Event of Default will not impair the right or remedy or constitute a waiver of, or acquiescence in, such Event of Default. All remedies will be cumulative to the extent permitted by law.

SECTION 7.05. WAIVER OF PAST DEFAULTS.

An Event of Default pursuant to **clause (i)**, **(ii)**, **(iv)** or **(vi)** of **Section 7.01(A)** (that, in the case of **clause (vi)** only, results from a Default under any covenant that cannot be amended without the consent of each affected Holder), and a Default that could lead to such an Event of Default, can be waived only with the consent of each affected Holder. Each other Default or Event of Default may be waived, on behalf of all Holders, by the Holders of a majority in aggregate principal amount of the Notes then outstanding. If an Event of Default is so waived, then it will cease to exist. If a Default is so waived, then it will be deemed to be cured and any Event of Default arising therefrom will be deemed not to occur. However, no such waiver will extend to any subsequent or other Default or Event of Default or impair any right arising therefrom.

SECTION 7.06. CONTROL BY MAJORITY.

Holders of a majority in aggregate principal amount of the Notes then outstanding may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law, this Indenture or the Notes, or that, subject to **Section 11.01**, the Trustee determines may be unduly prejudicial to the rights of other Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to any Holders) or may involve the Trustee in liability, unless the Trustee is offered , and if requested, provided security and indemnity satisfactory to the

Trustee against any loss, liability or expense to the Trustee that may result from the Trustee's following such direction.

SECTION 7.07. LIMITATION ON SUITS.

No Holder may pursue any remedy with respect to this Indenture or the Notes (except to enforce (x) its rights to receive the principal of, or the Redemption Price or Fundamental Change Repurchase Price for, or interest on, any Notes; or (y) the Company's obligations to convert any Notes pursuant to **Article 5**), unless:

(A) such Holder has previously delivered to the Trustee notice that an Event of Default is continuing;

(B) Holders of at least twenty five percent (25%) in aggregate principal amount of the Notes then outstanding deliver a written request to the Trustee to pursue such remedy;

(C) such Holder or Holders offer and, if requested, provide to the Trustee security and indemnity satisfactory to the Trustee against any loss, liability or expense to the Trustee that may result from the Trustee's following such request;

(D) the Trustee does not comply with such request within sixty (60) calendar days after its receipt of such request and such offer of security or indemnity; and

(E) during such sixty (60) calendar day period, Holders of a majority in aggregate principal amount of the Notes then outstanding do not deliver to the Trustee a direction that is inconsistent with such request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder. The Trustee will have no duty to determine whether any Holder's use of this Indenture complies with the preceding sentence.

SECTION 7.08. ABSOLUTE RIGHT OF HOLDERS TO INSTITUTE SUIT FOR THE ENFORCEMENT OF THE RIGHT TO RECEIVE PAYMENT AND CONVERSION CONSIDERATION.

Notwithstanding anything to the contrary in this Indenture or the Notes (but without limiting **Section 8.01**), the right of each Holder of a Note to bring suit for the enforcement of any payment or delivery, as applicable, of the principal of, or the Redemption Price or Fundamental Change Repurchase Price for, or any interest on, or the Conversion Consideration due pursuant to **Article 5** upon conversion of, such Note on or after the respective due dates therefor provided in this Indenture and the Notes, will not be impaired or affected without the consent of such Holder.

SECTION 7.09. COLLECTION SUIT BY TRUSTEE.

The Trustee will have the right, upon the occurrence and continuance of an Event of Default pursuant to **clause (i)**, **(ii)** or **(iv)** of **Section 7.01(A)**, to recover judgment in its own name and as trustee of an express trust against the Company for the total unpaid or undelivered principal of, or Redemption Price or Fundamental Change Repurchase Price for, or interest on, or Conversion Consideration due pursuant to **Article 5** upon conversion of, the Notes, as applicable, and such

further amounts sufficient to cover the costs and expenses of collection, including compensation provided for in **Section 11.06**.

SECTION 7.10. TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee has the right to (A) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes) or its creditors or property and (B) collect, receive and distribute any money or other property payable or deliverable on any such claims. Each Holder authorizes any custodian in such proceeding to make such payments to the Trustee, and, if the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to the Trustee for the reasonable compensation, expenses, disbursements and advances of the Trustee, and its agents and counsel, and any other amounts payable to the Trustee pursuant to **Section 11.06**. To the extent that the payment of any such compensation, expenses, disbursements, advances and other amounts out of the estate in such proceeding, is denied for any reason, payment of the same will be secured by a lien (senior to the rights of Holders) on, and will be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding (whether in liquidation or under any plan of reorganization or arrangement or otherwise). Nothing in this Indenture will be deemed to authorize the Trustee to authorize, consent to, accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 7.11. PRIORITIES.

The Trustee will pay or deliver in the following order any money or other property that it collects pursuant to this **Article 7**:

First: to the Trustee, the Collateral Agent, the other Note Agents and their agents and attorneys for amounts due under this Indenture, including payment of all fees, compensation, expenses and liabilities incurred, and all advances made, by the Trustee, the Collateral Agent or the other Note Agents and the costs and expenses of collection;

Second: to Holders for unpaid amounts or other property due on the Notes, including the principal of, or the Redemption Price or Fundamental Change Repurchase Price for, or any interest on, or any Conversion Consideration due upon conversion of, the Notes, ratably, and without preference or priority of any kind, according to such amounts or other property due and payable on all of the Notes; and

Third: to the Company or such other Person as a court of competent jurisdiction directs.

The Trustee may fix a record date and payment date for any payment or delivery to the Holders pursuant to this **Section 7.11**, in which case the Trustee will instruct the Company to, and the Company will deliver in writing, at least fifteen (15) calendar days before such record date, to each Holder, the Trustee and the Collateral Agent a notice stating such record date, such payment

date and the amount of such payment or nature of such delivery, as applicable.

SECTION 7.12. UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Indenture or the Notes or in any suit against the Trustee or the Collateral Agent for any action taken or omitted by it as Trustee or the Collateral Agent, a court, in its discretion, may (A) require the filing by any litigant party in such suit of an undertaking to pay the costs of such suit, and (B) assess reasonable costs (including reasonable attorneys' fees) against any litigant party in such suit, having due regard to the merits and good faith of the claims or defenses made by such litigant party; *provided*, *however*, that this **Section 7.12** does not apply to any suit by the Trustee, any suit by a Holder pursuant to **Section 7.08** or any suit by one or more Holders of more than ten percent (10%) in aggregate principal amount of the Notes then outstanding.

Article 8. AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 8.01. WITHOUT THE CONSENT OF HOLDERS.

Notwithstanding anything to the contrary in **Section 8.02**, the Company, the Guarantors, the Trustee and the Collateral Agent (if applicable) may amend or supplement this Indenture or the Notes without the consent of any Holder to:

(A) cure any ambiguity or correct any omission, defect or inconsistency in this Indenture or the Notes;

(B) add guarantees with respect to the Company's obligations under this Indenture or the Notes;

(C) secure the Notes or any Guarantee;

(D) add to the Company's or any Guarantor's covenants or Events of Default for the benefit of the Holders or surrender any right or power conferred on the Company;

(E) provide for the assumption of the Company's or any Guarantor's obligations under this Indenture and the Notes pursuant to, and in compliance with, **Article 6 and Article 9, as applicable**;

(F) enter into supplemental indentures pursuant to, and in accordance with, **Section 5.09** in connection with an Ordinary Shares Change Event;

(G) evidence or provide for the acceptance of the appointment, under this Indenture, of a successor Trustee, Note Agent or Collateral Agent;

(H) provide for or confirm the issuance of additional Notes pursuant to **Section 2.03(B)**;

(I) [*Reserved*];

(J) comply with any requirement of the SEC in connection with any qualification of

this Indenture or any supplemental indenture under the Trust Indenture Act, as then in effect;

(K) comply with the rules of the Common Depositary in a manner that does not adversely affect the rights of any Holder; or

(L) make any other change to this Indenture or the Notes that does not, individually or in the aggregate with all other such changes, adversely affect the rights of the Holders, as such, in any material respect.

SECTION 8.02. WITH THE CONSENT OF HOLDERS.

(A) *Generally*. Subject to **Sections 8.01**, **7.05** and **7.08** and the immediately following sentence, the Company, the Guarantors, the Trustee and the Collateral Agent (if applicable) may, with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, amend or supplement this Indenture or the Notes or waive compliance with any provision of this Indenture or the Notes. Notwithstanding anything to the contrary in the foregoing sentence, but subject to **Section 8.01**, without the consent of each affected Holder, no amendment or supplement to this Indenture or the Notes, or waiver of any provision of this Indenture or the Notes, may:

(i) reduce the principal, or change the stated maturity, of any Note;

(ii) reduce the Redemption Price or Fundamental Change Repurchase Price for any Note or change the times at which, or the circumstances under which, the Notes may or will be redeemed or repurchased by the Company;

(iii) reduce the rate, or extend the time for the payment, of interest on any Note;

(iv) make any change that adversely affects the conversion rights of any Note;

(v) impair the absolute rights of any Holder set forth in **Section 7.08** (as such section is in effect on the Issue Date);

(vi) change the ranking of the Notes or the Guarantees;

(vii) other than in accordance with the provisions of this Indenture, modify any Guarantee or release any Guarantee or a Guarantor from its obligations under this Indenture, in each case, in any manner materially adverse to the Holders;

(viii) make any Note payable in money, or at a place of payment, other than that stated in this Indenture or the Note;

(ix) reduce the amount of Notes whose Holders must consent to any amendment, supplement, waiver or other modification; or

(x) make any direct or indirect change to any amendment, supplement, waiver or modification provision of this Indenture or the Notes that requires the consent of each

affected Holder.

For the avoidance of doubt, pursuant to **clauses (i)**, **(ii)**, **(iii)**, **(iv)** and **(v)** of this **Section 8.02(A)**, no amendment or supplement to this Indenture or the Notes, or waiver of any provision of this Indenture or the Notes, may change the amount or type of consideration due on any Note (whether on an Interest Payment Date, Redemption Date, Tax Redemption Date, Fundamental Change Repurchase Date or the Maturity Date or upon conversion, or otherwise), or the date(s) or time(s) such consideration is payable or deliverable, as applicable, without the consent of each affected Holder.

Notwithstanding the foregoing, the Company, the Guarantors and the Trustee may, with the consent of the Holders representing not less than seventy-five percent in aggregate principal amount of the Notes then outstanding, amend or modify the definition of "Fundamental Change" or the other definitions used in such definition.

(B) *Holders Need Not Approve the Particular Form of any Amendment*. A consent of any Holder pursuant to this **Section 8.02** need approve only the substance, and not necessarily the particular form, of the proposed amendment, supplement or waiver.

SECTION 8.03. NOTICE OF AMENDMENTS, SUPPLEMENTS AND WAIVERS.

As soon as reasonably practicable after any amendment, supplement or waiver pursuant to **Section 8.01** or **8.02** becomes effective, the Company will send to the Holders, the Trustee and the Collateral Agent (if applicable) notice that (A) describes the substance of such amendment, supplement or waiver in reasonable detail and (B) states the effective date thereof; *provided*, *however*, that the Company will not be required to provide such notice to the Holders if such amendment, supplement or waiver is included in a periodic report filed by the Company with the SEC within four (4) Business Days of its effectiveness. The failure to send, or the existence of any defect in, such notice will not impair or affect the validity of such amendment, supplement or waiver.

SECTION 8.04. REVOCATION, EFFECT AND SOLICITATION OF CONSENTS; SPECIAL RECORD DATES; ETC.

(A) *Revocation and Effect of Consents*. The consent of a Holder of a Note to an amendment, supplement or waiver will bind (and constitute the consent of) each subsequent Holder of any Note to the extent the same evidences any portion of the same indebtedness as the consenting Holder's Note, subject to the right of any Holder of a Note to revoke (if not prohibited pursuant to **Section 8.04(B)**) any such consent with respect to such Note by delivering notice of revocation to the Trustee before the time such amendment, supplement or waiver becomes effective.

(B) *Special Record Dates*. The Company may, but is not required to, fix a record date for the purpose of determining the Holders entitled to consent or take any other action in connection with any amendment, supplement or waiver pursuant to this **Article 8**. If a record date is fixed, then, notwithstanding anything to the contrary in **Section 8.04(A)**, only Persons who are

Holders as of such record date (or their duly designated proxies) will be entitled to give such consent, to revoke any consent previously given or to take any such action, regardless of whether such Persons continue to be Holders after such record date; *provided*, *however*, that no such consent will be valid or effective for more than one hundred and twenty (120) calendar days after such record date.

(C) *Solicitation of Consents*. For the avoidance of doubt, each reference in this Indenture or the Notes to the consent of a Holder will be deemed to include any such consent obtained in connection with a repurchase of, or tender or exchange offer for, any Notes.

(D) *Effectiveness and Binding Effect*. Each amendment, supplement or waiver pursuant to this **Article 8** will become effective in accordance with its terms and, when it becomes effective with respect to any Note (or any portion thereof), will thereafter bind every Holder of such Note (or such portion).

SECTION 8.05. NOTATIONS AND EXCHANGES.

If any amendment, supplement or waiver changes the terms of a Note, then the Trustee (at the direction of the Company) or the Company may, in its discretion, require the Holder of such Note to deliver such Note to the Trustee so that the Trustee may place an appropriate notation prepared by the Company on such Note and return such Note to such Holder. Alternatively, at its discretion, the Company may, in exchange for such Note, issue, execute and deliver, and the Trustee will authenticate, in each case in accordance with **Section 2.02**, a new Note that reflects the changed terms. The failure to make any appropriate notation or issue a new Note pursuant to this **Section 8.05** will not impair or affect the validity of such amendment, supplement or waiver.

SECTION 8.06. TRUSTEE TO EXECUTE SUPPLEMENTAL INDENTURES.

The Trustee will execute and deliver any amendment or supplemental indenture authorized pursuant to this **Article 8**; *provided*, *however*, that the Trustee need not (but may, in its sole and absolute discretion) execute or deliver any such amendment or supplemental indenture that the Trustee concludes adversely affects the Trustee's rights, duties, liabilities or immunities. In executing any amendment or supplemental indenture, the Trustee will be entitled to receive, and (subject to **Sections 11.01** and **11.02**) will be fully protected in relying on, in addition to the documents required by **Section 13.02**, an Officer's Certificate and an Opinion of Counsel stating that (A) the execution and delivery of such amendment or supplemental indenture is authorized or permitted by this Indenture; and (B) in the case of the Opinion of Counsel, such amendment or supplemental indenture is the legal, valid and obligation of the Company (and any Guarantor) and binding and enforceable against each in accordance with its terms.

Article 9. Guarantees

SECTION 9.01. GUARANTEES.

(A) *Generally*. By its execution of this Indenture (by any amended or supplemental indenture pursuant to **Section 8.01(B)**), each Guarantor acknowledges and agrees that it receives substantial benefits from the Company and that such Guarantor is providing its Guarantee for good

and valuable consideration, including such substantial benefits. Subject to this **Article 9**, each of the Guarantors hereby, jointly and severally, fully and unconditionally guarantees, to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and the Collateral Agent and their successors and assigns, regardless of the validity or enforceability of this Indenture, the Notes or the obligations of the Company under this Indenture, the Notes or the other Notes documents, that:

(i) the principal of, any interest on, and any Conversion Consideration for, the Notes will be promptly paid in full when due, whether at maturity, by acceleration, on a Fundamental Change Repurchase Date, upon Redemption or otherwise, and interest on the overdue principal of, any interest on, or any Conversion Consideration for, the Notes, if lawful, and all other obligations of the Company to the Holders, the Trustee or the Collateral Agent under this Indenture or the Notes, will be promptly paid or delivered in full or performed, as applicable, in each case in accordance with this Indenture and the Notes; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, on a Fundamental Change Repurchase Date, upon Redemption or otherwise, (clause (i) and (ii) collectively, the "**Guaranteed Obligations**"), in each case subject to **Section 9.02**.

Upon the failure of any payment when due of any amount so guaranteed, and upon the failure of any performance so guaranteed, for whatever reason, the Guarantors will be jointly and severally obligated to pay or perform, as applicable, the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(B) *Guarantee Is Unconditional; Waiver of Diligence, Presentment, Etc*. Each Guarantor agrees that its Guarantee of the Guaranteed Obligations is unconditional, regardless of the validity or enforceability of this Indenture, the Notes or the obligations of the Company under this Indenture or the Notes, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions of this Indenture or the Notes, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor other than payment or performance in full of Guaranteed Obligations (other than contingent obligations that have yet to accrue). Each Guarantor waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever, and covenants that this Guarantee will not be discharged except by complete payment or performance of the Guaranteed Obligations (other than contingent obligations that have yet to accrue) in accordance with this Indenture and the Notes.

(C) *Reinstatement of Guarantee Upon Return of Payments*. If any Holder or the Trustee is required by any court or otherwise to return, to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to the Company or the Guarantors, any consideration paid or delivered by the Company or the Guarantors to such Holder, the Trustee or

the Collateral Agent, then each Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(D) *Subrogation*. Each Guarantor agrees that any right of subrogation, reimbursement or contribution it may have in relation to the Holders or in respect of any Guaranteed Obligations will be subordinated to, and will not be enforceable until payment in full of, all Guaranteed Obligations. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders, the Trustee and the Collateral Agent, on the other hand, (i) the maturity of the Guaranteed Obligations may be accelerated as provided in **Article 7**, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations; and (ii) if any Guaranteed Obligations are accelerated pursuant to **Article 7**, then such Guaranteed Obligations will, whether or not due and payable, immediately become due and payable by the Guarantors. Each Guarantor will have the right to seek contribution from any non-paying Guarantor, but only if the exercise of such right does not impair the rights of the Holders under any Guarantee.

SECTION 9.02. LIMITATION ON GUARANTOR LIABILITY.

Each Guarantor, and, by its acceptance of any Note, each Holder, confirms that each Guarantor and the Holders intend that the Guarantee of each Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. Each of the Trustee, the Collateral Agent, the Holders and each Guarantor irrevocably agrees that the obligations of each Guarantor under its Guarantee will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or fraudulent conveyance under federal or state law and not otherwise being void or voidable under any similar laws affecting the rights of creditors generally.

SECTION 9.03. EXECUTION AND DELIVERY OF GUARANTEE.

The execution by each Guarantor of this Indenture (by an amended or supplemental indenture pursuant to **Section 8.01(B)**) evidences the Guarantee of such Guarantor, and the delivery of any Note by the Trustee after its authentication constitutes due delivery of each Guarantee on behalf of each Guarantor. A Guarantee's validity will not be affected by the failure of any officer of a Guarantor executing this Indenture or any such amended or supplemental indenture on such Guarantor's behalf to hold, at the time any Note is authenticated, the same or any other office at each Guarantor, and each Guarantee will be valid and enforceable even if no notation, certificate or other instrument is set upon or attached to, or otherwise executed and delivered to the Holder of, any Note.

SECTION 9.04. WHEN GUARANTORS MAY MERGE, ETC.

(A) *Generally*. No Guarantor will consolidate with or merge with or into, or sell, lease

or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of such Guarantor and its Subsidiaries, taken as a whole, to another Person (other than the Company or another Guarantor) (a "**Guarantor Business Combination Event**"), unless (1) the resulting, surviving or transferee Person is such Guarantor or, if not such Guarantor, expressly assumes (by executing and delivering to the Trustee, at or before the effective time of such Guarantor Business Combination Event, a supplemental indenture) all of such Guarantor's obligations under this Indenture and the Notes and any Security Documents as may be necessary to grant a perfected security interest over the Collateral held by such Guarantor; *provided* that (a) such surviving Guarantor shall be incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia and (b) no Default or Event of Default shall exist, or would result from such Guarantor Business Combination Event or (2) the transaction is in compliance with Section 3.10.

Notwithstanding the foregoing, any Guarantor may merge, consolidate, amalgamate or wind up with or into or transfer all or part of its properties and assets to the Company without regard to the requirements set forth in this **Section 9.04(A)**.

(B) *Delivery of Officer's Certificate and Opinion of Counsel to the Trustee*. Before the effective time of any Guarantor Business Combination Event, the Company will deliver to the Trustee and the Collateral Agent an Officer's Certificate and Opinion of Counsel, each stating that (i) such Guarantor Business Combination Event (and, if applicable, the related supplemental indenture and any Security Documents) complies with **Section 9.04(A)**; and (ii) all conditions precedent to such Guarantor Business Combination Event provided in this Indenture have been satisfied.

(C) *Successor Corporation Substituted*. At the effective time of any Guarantor Business Combination Event that complies with **Section 9.04(A)** and **Section 9.04(B)**, the Successor Corporation of the Guarantor (if not the applicable Guarantor) will succeed to, and may exercise every right and power of, such Guarantor under this Indenture and the Notes with the same effect as if such Successor Corporation of the Guarantor had been named as a Guarantor in this Indenture and the Notes, and, except in the case of a lease, the predecessor Guarantor will be discharged from its obligations under this Indenture and the Notes.

SECTION 9.05. APPLICATION OF CERTAIN PROVISIONS OF THE GUARANTORS.

(A) *Officer's Certificates and Opinions of Counsel*. Upon any request or application by any Guarantor to the Trustee or the Collateral Agent to take any action under this Indenture, the Trustee and the Collateral Agent will be entitled to receive an Officer's Certificate and an Opinion of Counsel pursuant to **Section 13.02** with the same effect as if each reference to the Company in **Section 13.02** or in the definitions of "Officer," "Officer's Certificate" or "Opinion of Counsel" were instead a reference to such Guarantor.

(B) *Company Order*. A Company Order may be given by any Guarantor with the same effect as if each reference to the Company in the definitions of "Company Order" or "Officer" were instead a reference to such Guarantor.

(C) *Notices and Demands*. Any notice or demand that this Indenture requires or permits

to be given by the Trustee or the Collateral Agent, or by any Holders, to the Company may instead be given to any Guarantor.

SECTION 9.06. RELEASE OF GUARANTEES.

Any Guarantee by a Guarantor shall be automatically and unconditionally released and discharged, and no further action by such Guarantor, the Company, the Trustee or the Collateral Agent is required for the release of such Guarantor's Guarantee, upon:

(A) (i) any sale, exchange, transfer or other disposition (by merger, consolidation, amalgamation, dividend, distribution or otherwise) of all or substantially all of the assets of such Guarantor, in each case, if such sale, exchange, transfer or other disposition is not prohibited by the applicable provisions of this Indenture and, (a) in the case the transferee Person is not the Company or a Subsidiary, such sale, exchange, transfer or other disposition is in compliance with Section 3.10 or (b) unless such sale, exchange, transfer or other disposition is with or to the Company, the surviving or transferee Person expressly assumes such Guarantor's obligations in accordance with **Section 9.04**;

(ii) the merger, consolidation or amalgamation of any Guarantor with and into the Company, or upon the liquidation of a Guarantor following the transfer of all of its assets to the Company; or

(iii) the merger, consolidation or amalgamation of any Guarantor with and into a Subsidiary of the Company where such Subsidiary is the surviving Person, if such merger, consolidation or amalgamation is not prohibited by the applicable provisions of this Indenture and such Subsidiary expressly assumes such Guarantor's obligations in accordance with **Section 9.04**; and

(B) the Company and such Guarantor delivering to the Trustee and the Collateral Agent an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in this Indenture relating to such transaction and release have been complied with.

Article 10. SATISFACTION AND DISCHARGE

SECTION 10.01. TERMINATION OF COMPANY'S OBLIGATIONS.

This Indenture will be discharged, and will cease to be of further effect as to all Notes issued under this Indenture, when:

(A) all Notes then outstanding (other than Notes replaced pursuant to **Section 2.12**) have (i) been delivered to the Trustee for cancellation; or (ii) become due and payable (whether on a Redemption Date, a Tax Redemption Date, a Fundamental Change Repurchase Date, the Maturity Date, upon conversion or otherwise) for an amount of cash or Conversion Consideration, as applicable, that has been fixed;

(B) the Company has caused there to be irrevocably deposited with the Trustee, or with the Paying Agent (or, with respect to Conversion Consideration, the Conversion Agent), in each case for the benefit of the Holders, or has otherwise caused there to be delivered to the Holders,

cash (or, with respect to Notes to be converted, Conversion Consideration) sufficient to satisfy all amounts or other property due on all Notes then outstanding (other than Notes replaced pursuant to **Section 2.12**);

(C) the Company has paid all other amounts payable by it under this Indenture; and

(D) the Company has delivered to the Trustee and the Collateral Agent an Officer's Certificate and an Opinion of Counsel, each stating that the conditions precedent to the discharge of this Indenture have been satisfied;

provided, *however*, that **Article 11** and **Section 13.01** will survive such discharge and, until no Notes remain outstanding, **Section 2.15** and the obligations of the Trustee, the Paying Agent and the Conversion Agent with respect to money or other property deposited with them will survive such discharge.

At the Company's request contained in an Officer's Certificate and at the expense of the Company, the Trustee will acknowledge the satisfaction and discharge of this Indenture.

SECTION 10.02. REPAYMENT TO COMPANY.

Subject to applicable unclaimed property law, the Trustee, the Paying Agent and the Conversion Agent will promptly notify the Company if there exists (and, at the Company's request, promptly deliver to the Company) any cash, Conversion Consideration or other property held by any of them for payment or delivery on the Notes that remain unclaimed two (2) years after the date on which such payment or delivery was due. After such delivery to the Company, the Trustee, the Paying Agent and the Conversion Agent will have no further liability to any Holder with respect to such cash, Conversion Consideration or other property, and Holders entitled to the payment or delivery of such cash, Conversion Consideration or other property must look to the Company for payment as a general creditor of the Company.

SECTION 10.03. REINSTATEMENT.

If the Trustee, the Paying Agent or the Conversion Agent is unable to apply any cash or other property deposited with it pursuant to **Section 10.01** because of any legal proceeding or any order or judgment of any court or other governmental authority that enjoins, restrains or otherwise prohibits such application, then the discharge of this Indenture pursuant to **Section 10.01** will be rescinded; *provided*, *however*, that if the Company thereafter pays or delivers any cash or other property due on the Notes to the Holders thereof, then the Company will be subrogated to the rights of such Holders to receive such cash or other property from the cash or other property, if any, held by the Trustee, the Paying Agent or the Conversion Agent, as applicable.

Article 11. TRUSTEE

SECTION 11.01. DUTIES OF THE TRUSTEE.

(A) If an Event of Default has occurred and is continuing of which a Responsible Officer of the Trustee has actual or written knowledge, the Trustee will exercise such of the rights

and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; *provided* that the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered, and if requested, provided, to the Trustee indemnity or security satisfactory to Trustee against any loss, liability or expense that might be incurred by it in compliance with such request or direction.

(B) Except during the continuance of an Event of Default:

(i) the duties of the Trustee will be determined solely by the express provisions of this Indenture, and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations will be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon Officer's Certificates or Opinions of Counsel that are provided to the Trustee and conform to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture, but shall have no affirmative duty to verify the contents thereof.

(C) The Trustee may not be relieved from liabilities for its gross negligence or willful misconduct, except that:

(i) this paragraph will not limit the effect of **Section 11.01(B)**;

(ii) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(iii) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to **Section 7.06**; and

(iv) no provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability in the performance of any of its duties under this Indenture, or in the exercise of any of its rights or powers, if it has reasonable grounds to believe that repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

(D) Each provision of this Indenture that in any way relates to the Trustee is subject to this **Section 11.01** and **Section 11.02**, regardless of whether such provision so expressly provides.

(E) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability.

(F) The Trustee will not be liable for interest on any money received by it, except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds, except to the extent required by law.

(G) Whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee will be subject to the provisions of this Section 11.01.

(H) The Trustee will not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent (except in its capacity as Paying Agent pursuant to the terms of this Indenture) or any records maintained by any co-note registrar with respect to the Notes.

(I) If any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred, unless a Responsible Officer of the Trustee had actual knowledge of such event.

(J) Under no circumstances will the Trustee be liable in its individual capacity for the obligations evidenced by the Notes.

SECTION 11.02. RIGHTS OF THE TRUSTEE.

(A) The Trustee may conclusively rely on any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, bond, debenture, note, other evidence of indebtedness or other paper or document that it believes to be genuine and signed or presented by the proper Person, and the Trustee need not investigate any fact or matter stated in such document.

(B) Before the Trustee acts or refrains from acting, it may require, and may conclusively rely on, an Officer's Certificate, an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel; and the advice of such counsel, or any Opinion of Counsel, will constitute full and complete authorization of the Trustee to take or omit to take any action in good faith in reliance thereon without liability.

(C) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any such agent appointed with due care.

(D) The Trustee will not be liable for any action it takes or omits to take in good faith and that it believes to be authorized or within the rights or powers vested in it by this Indenture.

(E) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(F) The Trustee need not exercise any rights or powers vested in it by this Indenture at the request or direction of any Holder unless such Holder has offered and, if requested, provided the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense

that it may incur in complying with such request or direction (it being understood that the Trustee does not have an affirmative duty to determine whether any direction is prejudicial to any Holder).

(G) The Trustee will not be responsible or liable for any punitive, special, indirect, incidental or consequential loss or damage (including lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(H) The Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and will incur no liability of any kind by reason of such inquiry or investigation.

(I) The Trustee will not be required to give any bond or surety in respect of the execution of the trusts, powers, and duties under this Indenture.

(J) The permissive rights of the Trustee enumerated herein will not be construed as duties. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture.

(K) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(L) The Trustee will not be deemed to have notice of any Default or Event of Default (except in the case of a Default or Event of Default in payment of scheduled principal of, or the Redemption Price or Fundamental Change Repurchase Price for, or interest on, any Note) unless written notice of any event that is in fact such a Default or Event of Default (and stating the occurrence of a Default or Event of Default) is actually received by the a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes, the Company and this Indenture and states that it is a notice of Default or Event of Default.

(M) Neither the Trustee nor any Note Agent will have any responsibility or liability for any actions taken or not taken by the Common Depositary.

(N) The Trustee, the Collateral Agent and the Note Agents are hereby authorized and directed to execute and deliver each Notes document to which it is a party, binding the Holders to the terms thereof.

(O) Notwithstanding anything to the contrary in this Indenture, the Trustee will have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument or contract, nor will the Trustee be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or contract, whether or not a copy of such agreement has been provided to the Trustee, including, without limitation, the Subscription Agreement, any Proposed Term Sheet, the Business Combination Agreement or the Registration Rights Agreement.

SECTION 11.03. INDIVIDUAL RIGHTS OF THE TRUSTEE.

The Trustee, in its individual or any other capacity, may become the owner or pledgee of charge any Note and may otherwise deal with the Company or any of its Affiliates with the same rights that it would have if it were not Trustee; *provided*, *however*, that if the Trustee acquires a "conflicting interest" (within the meaning of Section 310(b) of the Trust Indenture Act), then it must eliminate such conflict within ninety (90) days or resign as Trustee. The rights, privileges, protections, immunities and benefits given to the Trustee in this Indenture and the other Notes documents, including its right to be compensated, reimbursed and indemnified, are extended to, and will be enforceable by, the Trustee in each of its capacities under this Indenture, the Collateral Agent and each Note Agent, custodian and other Person retained to act under this Indenture. For the avoidance of doubt, each reference to the Trustee in the Article 11 shall also be deemed to be a reference to the Collateral Agent and the other Note Agents.

SECTION 11.04. TRUSTEE'S DISCLAIMER.

The Trustee will not be (A) responsible for, and makes no representation as to, the validity or adequacy of this Indenture or the Notes; (B) accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture; (C) responsible for the use or application of any money received by any Paying Agent other than the Trustee; and (D) responsible for any statement or recital in this Indenture, the Notes or any other document relating to the sale of the Notes or this Indenture, other than the Trustee's certificate of authentication.

SECTION 11.05. NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and is actually known to a Responsible Officer of the Trustee (in accordance with **Section 11.02(L)**), then the Trustee will send Holders a notice of such Default or Event of Default within ninety (90) days after it occurs or, if it is not actually known to a Responsible Officer of the Trustee at such time, promptly (and in any event within ten (10) Business Days) after it becomes actually known to a Responsible Officer (in accordance with **Section 11.02(L)**); *provided*, *however*, that, except in the case of a Default or Event of Default in the payment of the principal of, or interest, if any, on, any Note, the Trustee may withhold such notice if and for so long as it in good faith determines that withholding such notice is in the interests of the Holders. The Trustee will not be deemed to have notice or be charged with knowledge of any Default or Event of Default unless written notice thereof has been received by a Responsible Officer, and such notice references the Notes and this Indenture and states on its face that a Default or Event of Default has occurred.

SECTION 11.06. COMPENSATION AND INDEMNITY.

(A) The Company will, from time to time, pay the Trustee (acting in any capacity hereunder) reasonable compensation for its acceptance of this Indenture and services under this Indenture as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. In addition to the compensation for the Trustee's services, the Company will reimburse the Trustee

promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it under this Indenture, including the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(B) The Company will indemnify and hold harmless the Trustee (acting in any capacity hereunder) against any and all losses, liabilities or expenses (including, without limitation, attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture (including, without limitation, attorneys' fees and expenses) against the Company (including this **Section 11.06**) and defending itself against any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties under this Indenture, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision. The Trustee will promptly notify the Company of any claim for which it may seek indemnity (other than any claim brought by the Company), but the Trustee's failure to so notify the Company will not relieve the Company of its obligations under this **Section 11.06(B)**, except to the extent the Company is materially prejudiced by such failure. The Company will defend such claim, and the Trustee will cooperate in such defense at the expense of the Company. If the Trustee is advised by counsel that it may have defenses available to it that are in conflict with the defenses available to the Company, or that there is an actual or potential conflict of interest, then the Trustee may retain separate counsel, and the Company will pay the reasonable fees and expenses of such counsel (including the reasonable fees and expenses of counsel to the Trustee incurred in evaluating whether such a conflict exists). The Company need not pay for any settlement of any such claim made without its consent, which consent will not be unreasonably withheld. The indemnification provided in this **Section 11.06** will extend to the officers, directors, agents and employees of the Trustee and any successor Trustee under this Indenture.

(C) The obligations of the Company under this **Section 11.06** will survive the resignation or removal of the Trustee and the discharge of this Indenture.

(D) To secure the Company's payment obligations in this **Section 11.06**, the Trustee will have a lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal of, or interest on, particular Notes, which lien will survive the discharge of this Indenture.

(E) If the Trustee incurs expenses or renders services after an Event of Default pursuant to **clause (viii)** or **(xi)** of **Section 7.01(A)** occurs, then such expenses and the compensation for such services (including the fees and expenses of its agents and counsel) are intended to constitute administrative expenses for purposes of priority under any Bankruptcy Law.

SECTION 11.07. REPLACEMENT OF THE TRUSTEE.

(A) Notwithstanding anything to the contrary in this **Section 11.07**, a resignation or removal of the Trustee, and the appointment of a successor Trustee, will become effective only upon such successor Trustee's acceptance of appointment as provided in this **Section 11.07**.

(B) The Trustee may resign at any time and be discharged from its duties and obligations hereunder at any time by giving no less than thirty (30) calendar days' prior written notice of such resignation to the Company. The Holders of a majority in aggregate principal amount of the Notes then outstanding may remove the Trustee by providing no less than thirty (30) calendar days' prior written notice to the Trustee and the Company. The Company may remove the Trustee if:

(i) the Trustee fails to comply with **Section 11.09**;

(ii) the Trustee is adjudged to be bankrupt or insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

(C) If the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, then (i) the Company will promptly appoint a successor Trustee; and (ii) at any time within one (1) year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the Notes then outstanding may appoint a successor Trustee to replace such successor Trustee appointed by the Company.

(D) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, then the retiring Trustee (at the Company's expense), the Company or the Holders of at least ten percent (10%) in aggregate principal amount of the Notes then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(E) If the Trustee, after written request by a Holder of at least six (6) months, fails to comply with **Section 11.09**, then such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(F) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company, upon which notice the resignation or removal of the retiring Trustee will become effective and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will send notice of its succession to Holders. The retiring Trustee will, upon payment of all amounts due to it under this Indenture, promptly transfer all property held by it as Trustee to the successor Trustee, which property will, for the avoidance of doubt, be subject to the lien provided for in **Section 11.06(D)**.

SECTION 11.08. SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, then such corporation will become the successor Trustee under this Indenture and will have and succeed to the rights, powers, duties, immunities and privileges of its predecessor without any further act or the execution or filing of any instrument or paper.

SECTION 11.09. ELIGIBILITY; DISQUALIFICATION.

There will at all times be a Trustee under this Indenture that is a corporation organized and doing business under the laws of the United States of America or of any state thereof, that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least fifty million dollars (US$50,000,000) as set forth in its most recent published annual report of condition.

Article 12. COLLATERAL AND SECURITY

SECTION 12.01. SECURITY DOCUMENTS

The due and punctual payment of the principal of, premium, if any, and interest on the Notes and other amounts due hereunder including the Guaranteed Obligations when and as the same shall be due and payable, subject to any applicable grace period, whether on an Interest Payment Date, by acceleration, purchase, repurchase, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest on the Notes and the performance of all other obligations of the Company and the Guarantors to the Holders, the Collateral Agent or the Trustee under this Indenture shall be secured by the Collateral pursuant to the terms of the Security Documents. The Security Documents shall provide for the grant by the Company and the Guarantors party thereto to the Collateral Agent of security interests in the Collateral subject to Permitted Liens.

SECTION 12.02. RECORDING AND OPINIONS

(A) The Company shall, and shall cause each of the Guarantors to, at its sole cost and expense, take or cause to be taken such actions as may be required by the Security Documents, to perfect, maintain (with the priority required under the Security Documents), preserve and protect the valid and enforceable, perfected (except as expressly provided herein or therein) security interests in and on all the Collateral granted by the Security Documents in favor of the Collateral Agent for the benefit of the Holders as security for the obligations under this Indenture, the Notes, any Guarantees and the Security Documents, prior to the rights of all third Persons and subject to no other Liens, in each case other than Permitted Liens; *provided* that, notwithstanding anything to the contrary under this Indenture or any Security Document, the Company and the Guarantors shall not be required (A) to perfect the security interests and/or Liens granted by the Security Documents by any means other than by (1) filings pursuant to the UCC in the office of the secretary of state (or similar filing office) of the jurisdiction of incorporation or formation of the Company or such Guarantor and (2) filings in United States government offices with respect to registered and applied for United States Intellectual Property owned by the Company or any Guarantor and (B) to complete any filings or other action with respect to the perfection of the security interests, including of any intellectual property, created under the Security Documents in any jurisdiction outside of the United States. The Company shall from time to time promptly pay all financing and continuation statement recording and/or filing fees, charges and recording and similar taxes relating to this Indenture, the Security Documents and any amendments hereto or thereto and any other instruments of further assurance required pursuant hereto or thereto.

(B) The Company shall furnish to the Collateral Agent, at such times as would be required by Section 314(b) of the Trust Indenture Act if this Indenture were qualified thereunder, commencing December 16, 2022, an Opinion of Counsel to the effect that, either (i) other than actions that have been taken, no further action was necessary to maintain the perfection of the security interest in the Collateral described in both the applicable UCC-1 financing statement and the Share Charge and for which perfection under the UCC of the Company's or applicable Guarantor's jurisdiction of organization may occur by the filing of a UCC-1 financing statement with the appropriate filing office of the applicable party's jurisdiction of organization or (ii) if any actions are so required to be taken, to specify such actions.

(C) The Company will deliver to the Trustee copies of all documents delivered to the Collateral Agent pursuant to the Security Documents, and the Company will, and will cause each Guarantor to, do or cause to be done all such acts and things as may be required by the provisions of the Security Documents to assure and confirm to the Trustee that the Collateral Agent holds for the benefit of the Trustee and the Holders duly created, enforceable and perfected Liens to the extent required by this Indenture and the Security Documents, as from time to time constituted.

SECTION 12.03. RELEASE OF COLLATERAL

(A) The Liens of the Collateral Agent created by the Security Documents shall not at any time be released on all or any portion of the Collateral from the Liens created by the Security Documents unless such release is in accordance with the provisions of this Indenture and the applicable Security Documents.

(B) The release of any Collateral from the Liens created by the Security Documents shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to this Indenture and the Security Documents. The Company and the Guarantors shall not be required to comply with Section 314(d) of the Trust Indenture Act in connection with any release of Collateral. For the avoidance of doubt, the automatic release of any current assets constituting Collateral in connection with the sale, lease or other similar disposition of such inventory of the Company and the Guarantors in the ordinary course of business shall not require delivery of any reports, certificates, opinions or other formal documentation.

SECTION 12.04. SPECIFIED RELEASES OF COLLATERAL

(A) Collateral shall be released from the Liens created by the Security Documents at any time or from time to time in accordance with the provisions of the Security Documents or as provided in this Indenture. The Liens securing the Collateral shall be automatically released without the need for further action by any Person under any one or more of the following circumstances:

(i) in part, as to any property that is sold, transferred, disbursed or otherwise disposed of by the Company or any Guarantor (other than to the Company or any Guarantor) in a transaction not prohibited by this Indenture at the time of such sale, transfer, disbursement or disposition;

(ii) in whole or in part, with the consent of the Holders of the requisite percentage of Notes in accordance with the provisions in Section 8.02;

(iii) in whole with respect to the Collateral of any Guarantor, upon the release of the Guarantee of such Guarantor in accordance with this Indenture;

(iv) in whole or in part, as applicable, as to all or any portion of the Collateral which has been taken by eminent domain, condemnation or similar circumstances; and

(v) in part, in accordance with the applicable provisions of the Security Documents.

(B) Upon the request of the Company pursuant to an Officer's Certificate and Opinion of Counsel confirming that all conditions precedent hereunder and under the Security Documents, if any, have been met, and any instruments of termination, satisfaction or release prepared by the Company or the Guarantors, as the case may be, the Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Company or the Guarantors, shall execute, deliver or acknowledge or authorize the filing by Company or the Guarantors of such instruments or releases (in form reasonably satisfactory to the Collateral Agent) reasonably requested by the Company in order to evidence the release from the Liens created by the Security Documents of any Collateral permitted to be released pursuant to this Indenture, the Security Documents, any such release to be made without any recourse, representation or warranty of the Collateral Agent.

SECTION 12.05. RELEASE UPON SATISFACTION AND DISCHARGE OR AMENDMENT

(A) The Liens on all Collateral granted under the Security Documents that secure the Notes and the Guarantees shall be automatically terminated and released without the need for further action by any Person:

(i) upon the full and final payment and performance of the Company's and the Guarantors' respective obligations under this Indenture, the Notes and the Guarantees (other than contingent obligations that have yet to accrue);

(ii) upon satisfaction and discharge of this Indenture as described under Article 10; or

(iii) with the written consent of Holders of at least 66-2/3% in aggregate principal amount of the outstanding Notes.

(B) Upon the request of the Company contained in an Officer's Certificate and Opinion of Counsel confirming that all conditions precedent hereunder and under the Security Documents have been met, any instruments of termination, satisfaction or release prepared by the Company or the Guarantors, as the case may be, the Collateral Agent, without the consent of any Holder or the Trustee and at the expense of the Company or the Guarantors, shall execute, deliver or acknowledge or authorize the filing by the Company or the Guarantors of such instruments or releases to evidence the release from the Liens created by the Security Documents of any Collateral permitted to be released pursuant to this Indenture, or the Security Documents, any such release to

be made without any recourse, representation or warranty of the Collateral Agent and to be in a form reasonably acceptable to the Collateral Agent.

SECTION 12.06. FORM AND SUFFICIENCY OF RELEASE AND SUBORDINATION

In the event that the Company or any Guarantor has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that may be sold, exchanged or otherwise disposed of by the Company or such Guarantor to any Person other than the Company or a Guarantor, and the Company or such Guarantor requests, pursuant to an Officer's Certificate and Opinion of Counsel confirming that all conditions precedent hereunder and under the Security Documents to the release of such Collateral have been met, that (a) the Trustee or Collateral Agent furnish a written disclaimer, release or quit-claim of any interest in such property under this Indenture and the Security Documents, or, (b) to the extent applicable to such Collateral, take all action that is necessary or reasonably requested by the Company in writing (in each case at the expense of the Company) to release and reconvey to the Company or such Guarantor, without recourse, such Collateral or deliver such Collateral in its possession to the Company or such Guarantor, the Trustee and the Collateral Agent, as applicable, shall execute, acknowledge (without any recourse, representation and warranty) and deliver to and/or authorize the filing by the Company or such Guarantor (in the form prepared by the Company at the Company's sole expense) such an instrument (in form reasonably satisfactory to the Collateral Agent) promptly or take such other action so requested, including deliver to the Company or such Guarantor applicable Collateral in Collateral Agent's possession after satisfaction of the conditions set forth herein for delivery of any such release.

SECTION 12.07. PURCHASER PROTECTED

No purchaser or grantee of any property or rights purported to have been released from the Lien of this Indenture or of the Security Documents shall be bound to ascertain the authority of the Trustee or the Collateral Agent, as applicable, to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Indenture to be sold or otherwise disposed of by the Company be under any obligation to ascertain or inquire into the authority of the Company to make such sale or other disposition.

SECTION 12.08. AUTHORIZATION OF ACTIONS TO BE TAKEN BY THE COLLATERAL AGENT UNDER THE SECURITY DOCUMENTS

(A) Subject to the provisions of the applicable Security Documents, each Holder, by acceptance of the Notes, appoints U.S. Bank National Association as Collateral Agent consents to the terms of and agrees that the Collateral Agent shall, and the Collateral Agent is hereby authorized and directed to, execute and deliver the Security Documents to which it is a party and all agreements, documents and instruments incidental thereto, binding the Holders to the terms thereof, and act in accordance with the terms thereof. For the avoidance of doubt, the Collateral Agent shall have no discretion under this Indenture or the Security Documents and whenever reference is made in this Indenture to any action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the Collateral Agent or to

any election, decision, opinion, acceptance, use of judgment, expression or satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by the Collateral Agent, it is understood in all cases that the Collateral Agent shall not be required to make or give and shall be fully protected in not making or giving any determination, consent, approval, request or direction without the written direction of the Holders of at least 66-2/3% in aggregate principal amount of then outstanding Notes, the Trustee or the Company, as applicable. This provision is intended solely for the benefit of the Collateral Agent and its successors and permitted assigns and is not intended to and will not entitle the other parties hereto to any defense, claim or counterclaim, or confer any rights or benefits on any party hereto. Further, the Collateral Agent shall be under no obligation to exercise any of its rights and powers under this Indenture at the request or direction of any Holders, unless such Holder shall have offered, and if requested, provided to the Collateral Agent security and indemnity satisfactory to the Collateral Agent against any loss, cost, liability or expense which might be incurred by the Collateral Agent in compliance with such direction or request and then only to the extent required by the terms of this Indenture.

(B) No provision of this Indenture or the Security Documents shall require the Collateral Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or thereunder or to take or omit to take any action hereunder or thereunder or take any action at the request or direction of Holders or the Trustee if it shall have reasonable grounds for believing that repayment of such funds is not assured to it. Notwithstanding anything to the contrary contained in this Indenture or the Security Documents, in the event the Collateral Agent is entitled or required to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, the Collateral Agent shall not be required to commence any such action or exercise any remedy or take any such other action if the Collateral Agent has determined that the Collateral Agent may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless the Collateral Agent has received security or indemnity from the Holders in an amount and in a form satisfactory to the Collateral Agent in its sole discretion, protecting the Collateral Agent from all such liability. The Collateral Agent shall at any time be entitled to cease taking any action described in this clause if it no longer reasonably deems any indemnity, security or undertaking from the Company or the Holders to be sufficient.

(C) So long as an Event of Default is not continuing, the Company may direct the Collateral Agent in writing in connection with any action required or permitted by this Indenture or the Security Documents. During the continuance of an Event of Default, the Trustee, or the requisite Holders pursuant to Section 7.05, may direct the Collateral Agent in connection with any action required or permitted by this Indenture or the Security Documents.

(D) The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, unless the Collateral Agent shall have received written notice from the Trustee, a Holder or the Company referring to this Indenture, describing such Default or Event of Default and stating that such notice is a "notice of default." The Collateral Agent shall take such action with respect to such Default or Event of Default as may be requested by the Trustee or the Holders of at least 66-2/3% in aggregate principal amount of then outstanding Notes subject to this Article 12.

SECTION 12.09. AUTHORIZATION OF RECEIPT OF FUNDS BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS

The Collateral Agent is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Security Documents and to make further distributions of such funds to itself, the Trustee and the Holders in accordance with the provisions of Section 7.11 and the other provisions of this Indenture. Such funds shall be held on deposit by the Trustee without investment (unless otherwise provided in this Indenture), and the Trustee shall have no liability for interest or other compensation thereon.

SECTION 12.10. ACTION BY THE COLLATERAL AGENT

Beyond the exercise of reasonable care in the custody thereof, the Collateral Agent shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property and shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith and with reasonable care.

Neither the Trustee nor Collateral Agent shall be responsible for (i) the existence, genuineness or value of any of the Collateral; (ii) the validity, perfection, priority or enforceability of the Liens intended to be created by this Indenture or the Security Documents in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder (except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Collateral Agent (as determined by a final non-appealable order of a court of competent jurisdiction not subject to appeal)); (iii) the sufficiency of the Collateral; (iv) the validity of the title of the Company and the Guarantors to any of the Collateral; (v) insuring the Collateral; (vi) any action taken or omitted to be taken by it under or in connection with this Indenture or the Security Documents or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a final nonappealable order of a court of competent jurisdiction) or (vii) any recital, statement, representation, warranty, covenant or agreement made by the Company or any Affiliate of the Company, or any officer or Affiliate thereof, contained in this Indenture or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Indenture. The Company and the Guarantors shall be responsible for the maintenance of the Collateral and for the payment of taxes, charges or assessments upon the Collateral. For the avoidance of doubt, nothing herein shall require the Collateral Agent or the Trustee to file financing statements or continuation statements, or be responsible for maintaining the security interests purported to be created and described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it under this Indenture or the Security Documents) and such responsibility shall be solely that of the Company. The Collateral Agent shall not be under any obligation to the Trustee or any Holder to ascertain or to inquire as to the observance or performance of any of the

agreements contained in, or conditions of, this Indenture or to inspect the properties, books, or records of the Company or any of its Affiliates.

SECTION 12.11. COMPENSATION AND INDEMNITY.

(A) The Company shall pay to the Collateral Agent from time to time compensation as shall be agreed to in writing by the Company and the Collateral Agent for its acceptance of this Indenture, the Security Documents and services hereunder. The Company shall reimburse the Collateral Agent promptly upon request for all reasonable disbursements, advances and reasonable and documented out-of-pocket expenses incurred or made by it in connection with Collateral Agent's duties under this Indenture and the Security Documents, including the reasonable compensation, disbursements and expenses of the Collateral Agent's agents and counsel, except any disbursement, advance or expense as may be attributable to the Collateral Agent's willful misconduct or gross negligence.

(B) The Company and the Guarantors shall, jointly and severally, indemnify the Collateral Agent and any predecessor Collateral Agent and each of their agents, employees, officers and directors for, and hold them harmless against, any and all losses, liabilities, claims, damages or expenses (including the fees and expenses of counsel to the Collateral Agent and any environmental liabilities) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture and the Security Documents, including, without limitation (i) any claim relating to the grant to the Collateral Agent of any Lien in any property or assets of the Company or the Guarantors and (ii) the costs and expenses of enforcing this Indenture and the Security Documents against the Company and the Guarantors (including this Section 12.11) and defending itself against or investigating any claim (whether asserted by the Company, the Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder or thereunder, except to the extent any such loss, liability, claim, damage or expense shall have been determined by a court of competent jurisdiction to have been attributable to its willful misconduct or gross negligence. The Collateral Agent shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Collateral Agent to so notify the Company shall not relieve the Company or the Guarantors of their obligations hereunder, except to the extent the Company or the Guarantors are materially prejudiced thereby. At the Collateral Agent's sole discretion, the Company and the Guarantors shall defend any claim or threatened claim asserted against the Collateral Agent, with counsel reasonably satisfactory to the Collateral Agent, and the Collateral Agent shall cooperate in the defense at the Company's and the Guarantors' expense. The Collateral Agent may have one separate U.S. counsel (and one separate foreign counsel in each applicable non-U.S. jurisdiction) and the Company and the Guarantors shall pay the reasonable fees and expenses of such counsel. The Company and the Guarantors need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

(C) The Collateral Agent shall be entitled to all rights, privileges, immunities and protections of the Trustee set forth in this Indenture whether or not expressly stated therein, including but not limited to the right to be compensated, reimbursed and indemnified under Section 11.06, in the acceptance, execution, delivery and performance of the Security Documents as though fully set forth therein. Notwithstanding any provision to the contrary contained elsewhere in this Indenture or the Security Documents, the Collateral Agent shall not have any

duties or responsibilities, except those expressly set forth in this Indenture or the Security Documents to which the Collateral Agent is a party, nor shall the Collateral Agent have or be deemed to have any fiduciary relationship with the Trustee, any Holder or the Company, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture or the Security Documents or otherwise exist against the Collateral Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Indenture with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(D) The obligations of the Company and the Guarantors under this Section 12.11 shall survive the satisfaction and discharge of this Indenture and the resignation, removal or replacement of the Collateral Agent.

SECTION 12.12. POST-CLOSING COLLATERAL

To the extent the Company and the Guarantors are not able to execute and deliver all Security Documents required in connection with the creation and perfection of the Liens of the Collateral Agent on the Collateral (to the extent required by this Indenture or such Security Documents) on or prior to the Issue Date, the Company and the Guarantors will use their commercially reasonable efforts to have all security interests in the Collateral duly created and enforceable and perfected, to the extent required by this Indenture or such Security Documents, within the time period required by the Security Documents.

Article 13. MISCELLANEOUS

SECTION 13.01. NOTICES.

Any notice or communication by the Company or the Trustee (including in its capacity as Collateral Agent and any Note Agent) to the other will be deemed to have been duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), facsimile transmission, electronic transmission or other similar means of unsecured electronic communication or overnight air courier guaranteeing next day delivery, or to the other's address, which initially is as follows:

If to the Company:

To: Vertical Aerospace Ltd.
140-142 Kensington Church Street
London, W8 4BN
United Kingdom
Email: ########@#######.com

with a copy (which will not constitute notice) to:

Latham & Watkins (London) LLP

99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: #.#####.#######@lw.com and ########.#######@lw.com

If to the Paying Agent, Registrar, Trustee and the Collateral Agent:

U.S. Bank National Association
Global Corporate Trust Services
60 Livingston Avenue
St. Paul, MN 55107
Attn: Account Administration (Vertical Aerospace Notes)
Email: #########.#######@usbank.com

If to the Common Depositary:

Elavon Financial Services DAC
Block F1, Cherrywood Business Park
Cherrywood, Dublin 18
D18 W2X7, Ireland
Attn: Common Depositary (Vertical Aerospace)
E-mail: #######.#######.######@usbank.com; ########.##########@usbank.com
####@usbank.com

The Company, the Paying Agent, the Registrar, the Trustee or the Collateral Agent, by notice to the other, may designate additional or different addresses (including facsimile numbers and electronic addresses) for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: (A) at the time delivered by hand, if personally delivered; (B) five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; (C) when receipt acknowledged, if transmitted by facsimile, electronic transmission or other similar means of unsecured electronic communication; and (D) the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

All notices or communications required to be made to a Holder pursuant to this Indenture must be made in writing and will be deemed to be duly sent or given in writing if mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery, to its address shown on the Register; *provided*, *however*, that a notice or communication to a Holder of a Global Note may, but need not, instead be sent pursuant to the Applicable Procedures (in which case, such notice will be deemed to be duly sent or given in writing). The failure to send a notice or communication to a Holder, or any defect in such notice or communication, will not affect its sufficiency with respect to any other Holder. All notices, approvals, consents, requests and any communications hereunder must be in writing (*provided* that any communication sent to Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature), in English, and signatures of the parties hereto

transmitted by facsimile, PDF or other electronic transmission (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Indenture as to the other parties hereto and will be deemed to be their original signatures for all purposes; provided, notwithstanding anything to the contrary set forth herein, the Trustee is under no obligation to agree to accept electronic signatures in any form or format unless express agreed to by the Trustee pursuant to procedures approved by the Trustee. The Company agrees to assume all risks arising out of the use of digital signatures and electronic methods to submit communications to Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

If the Trustee is then acting as the Common Depositary or the Notes, then, at the reasonable request of the Company to the Trustee, the Trustee will cause any notice prepared by the Company to be sent to any Holder(s) pursuant to the Applicable Procedures, *provided* such request is evidenced in a Company Order delivered, together with the text of such notice, to the Trustee at least two (2) Business Days before the date such notice is to be so sent. For the avoidance of doubt, such Company Order need not be accompanied by an Officer's Certificate or Opinion of Counsel. The Trustee will not have any liability relating to the contents of any notice that it sends to any Holder pursuant to any such Company Order.

If a notice or communication is mailed or sent in the manner provided above within the time prescribed, it will be deemed to have been duly given, whether or not the addressee receives it.

Notwithstanding anything to the contrary in this Indenture or the Notes, (A) whenever any provision of this Indenture requires a party to send notice to another party, no such notice need be sent if the sending party and the recipient are the same Person acting in different capacities; and (B) whenever any provision of this Indenture requires a party to send notice to more than one receiving party, and each receiving party is the same Person acting in different capacities, then only one such notice need be sent to such Person.

SECTION 13.02. DELIVERY OF OFFICER'S CERTIFICATE AND OPINION OF COUNSEL AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Trustee or the Collateral Agent to take any action under this Indenture (other than the Opinion of Counsel described in (B) with respect to the initial authentication of Notes under this Indenture), the Company will furnish to the Trustee and the Collateral Agent:

(A) an Officer's Certificate in form reasonably satisfactory to the Trustee that complies with **Section 13.03** and states that, in the opinion of the signatory thereto, all conditions precedent and covenants, if any, provided for in this Indenture relating to such action have been satisfied; and

(B) an Opinion of Counsel in form reasonably satisfactory to the Trustee that complies with **Section 13.03** and states that, in the opinion of such counsel, all such conditions precedent and covenants, if any, have been satisfied.

SECTION 13.03. STATEMENTS REQUIRED IN OFFICER'S CERTIFICATE AND OPINION OF COUNSEL.

Each Officer's Certificate (other than an Officer's Certificate pursuant to **Section 3.05**) or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture will include:

(A) a statement that the signatory thereto has read such covenant or condition;

(B) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained therein are based;

(C) a statement that, in the opinion of such signatory, he, she or it has made such examination or investigation as is necessary to enable him, her or it to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(D) a statement as to whether, in the opinion of such signatory, such covenant or condition has been satisfied.

SECTION 13.04. RULES BY THE TRUSTEE, THE REGISTRAR AND THE PAYING AGENT.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Collateral Agent, Conversion Agent, Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.05. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND SHAREHOLDERS.

No past, present or future director, officer, employee, incorporator or shareholder of the Company, as such, will have any liability for any obligations of the Company under this Indenture or the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting any Note, each Holder waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.

SECTION 13.06. GOVERNING LAW; WAIVER OF JURY TRIAL.

THIS INDENTURE AND THE NOTES, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE OR THE NOTES, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE COMPANY, THE TRUSTEE, THE COLLATERAL AGENT AND THE HOLDERS OF THE NOTES BY THEIR ACCEPTANCE THEREOF IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE OR THE NOTES.

SECTION 13.07. SUBMISSION TO JURISDICTION.

Any legal suit, action or proceeding arising out of or based upon this Indenture or the

transactions contemplated by this Indenture may be instituted in the federal courts of the United States of America located in the City of New York or the courts of the State of New York, in each case located in the City of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail (to the extent allowed under any applicable statute or rule of court) to such party's address set forth in **Section 13.01** will be effective service of process for any such suit, action or proceeding brought in any such court. Each of the Company, the Trustee, the Collateral Agent and each Holder (by its acceptance of any Note) irrevocably and unconditionally waives any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waives and agrees not to plead or claim any such suit, action or other proceeding has been brought in an inconvenient forum.

SECTION 13.08. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

Neither this Indenture nor the Notes may be used to interpret any other indenture, note, loan or debt agreement of the Company or its Subsidiaries or of any other Person, and no such indenture, note, loan or debt agreement may be used to interpret this Indenture or the Notes.

SECTION 13.09. SUCCESSORS.

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors.

SECTION 13.10. FORCE MAJEURE.

The Trustee, the Collateral Agent and each Note Agent will not incur any liability for not performing or for any delay in performing any act or fulfilling any duty, obligation or responsibility under this Indenture or the Notes by reason of any occurrence beyond its control (including, without limitation, any act or provision of any present or future law or regulation or governmental authority, act of God, earthquakes, fires, floods, sabotage, epidemics, pandemics, riots, interruptions loss or malfunction of utilities, computer (hardware or software) or communications service, accidents, acts of war, civil or military unrest, labor disputes, acts of civil or military authority or governmental actions, local or national disturbance or disaster, act of terrorism or unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

SECTION 13.11. U.S.A. PATRIOT ACT.

The Company acknowledges that, in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee, like all financial institutions, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The Company agrees to provide the Trustee with such information as it may request to enable the Trustee to comply with the U.S.A. PATRIOT Act.

SECTION 13.12. CALCULATIONS.

Except as otherwise provided in this Indenture, the Company will be responsible for making all calculations called for under this Indenture or the Notes, including determinations of the Last Reported Sale Price, Cash Interest, PIK Interest, the Redemption Principal Amount, the Redemption Price and accrued interest on the Notes and the Conversion Rate. None of the Trustee, the Paying Agent, the Registrar nor the Conversion Agent will have any liability or responsibility for any calculation under this Indenture or in connection with the Notes, any information used in connection with such calculation or any determination made in connection with a conversion. For the avoidance of doubt, the Trustee will not be obligated to make or confirm any calculations called for under this Indenture or the Notes.

The Company will make all calculations in good faith, and, absent manifest error, its calculations will be final and binding on all Holders. The Company will provide a schedule of its calculations in writing to the Trustee and the Conversion Agent, and each of the Trustee and the Conversion Agent may rely conclusively on the accuracy of the Company's calculations without independent verification. The Trustee will promptly forward a copy of each such schedule to a Holder upon its written request therefor.

SECTION 13.13. SEVERABILITY; ENTIRE AGREEMENT.

If a court of competent jurisdiction declares any provision of this Indenture or the Notes is invalid, illegal or unenforceable, then the validity, legality and enforceability of the remaining provisions of this Indenture or the Notes will not in any way be affected or impaired thereby. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersede all prior agreements and understandings, written or oral.

SECTION 13.14. COUNTERPARTS.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, and all of them together represent the same agreement. Delivery of an executed counterpart of this Indenture by facsimile, electronically in portable document format or in any other format will be effective as delivery of a manually executed counterpart.

SECTION 13.15. TABLE OF CONTENTS, HEADINGS, ETC.

The table of contents and the headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions of this Indenture.

SECTION 13.16. WITHHOLDING TAXES.

Each Holder of a Note agrees, and each beneficial owner of an interest in a Global Note, by its acquisition of such interest, is deemed to agree, that, if a Holder is deemed to have received a distribution subject to federal income tax as a result of an adjustment or the non-occurrence of an adjustment to the Conversion Rate, (A) then the Company or other applicable withholding agent, as applicable, may, at its option, withhold or set off any applicable withholding taxes or

backup withholding on behalf of such Holder or beneficial owner against interest and payments upon conversion, repurchase, redemption or maturity of the Notes, and (B) if the Company or other applicable withholding agent pays any such withholding taxes or backup withholding on behalf of such Holder or beneficial owner, then the Company or such withholding agent, as applicable, may, at its option, withhold from or set off such payments against payments of cash or the delivery of other Conversion Consideration on such Note, any payments on the Ordinary Shares or sales proceeds received by, or other funds or assets of, such Holder or the beneficial owner of such Note. Any withholding tax described in this Section 13.16 is subject to the provisions of Section 3.14.

SECTION 13.17. OTHER TAXATION

(A) Any change in the Company's tax status or in taxation legislation in Cayman Islands or any other tax jurisdiction affecting a Holder in the Notes could: (a) affect the Company's ability to make payment of the outstanding principal amount of the Notes on the Maturity Date, the Redemption Date and/or the Tax Redemption Date, payment of the applicable Redemption Principal Amount and/or Interest due in respect of the Notes; or (b) alter the post-tax returns to an investor in the Notes.

(B) Any change in the tax laws and practice affecting the taxation of a Holder in the Notes could also adversely affect the ability of the Company to pay the outstanding principal amount of the Notes on the Maturity Date, the Redemption Date and/or the Tax Redemption Date, payment of the applicable Redemption Principal Amount and/or Interest payable in respect of the Notes. The tax treatment of an individual Holder depends on the individual circumstances of that Holder and may be subject to change in the future. Holders are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Notes under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

(C) The Cayman Islands currently levy no taxes on individuals, limited partnerships or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties applicable to payments to, or from, the Company.

(D) The Cayman Islands do not benefit from any dividend double taxation relief treaties with other countries, therefore dividend income earned on investments domiciled outside of the Cayman Islands may suffer withholding tax at the maximum applicable rate.

(E) The Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Holders.

(F) The Cayman Islands has entered into a Model 1 intergovernmental agreement (the "**US IGA**") with the United States. Under the terms of the US IGA, the Company is required to register with the U.S. Internal Revenue Service ("**IRS**") to obtain a Global Intermediary Identification Number ("**GIIN**") and then comply with the Tax Information Authority

(International Tax Compliance) (United States of America) Regulations (As Revised) and guidance notes issued pursuant to such regulations (the "**Cayman FATCA Legislation**") that give effect to, amongst other things, the US IGA. As such, the Company or its agent is required to collect and report to the Cayman Islands Tax Information Authority substantial information regarding certain Holders of Notes. Under the terms of the US IGA (i) the Cayman Islands Tax Information Authority will exchange such information with the IRS and (ii) withholding will not be imposed on payments made to the Company unless the IRS has specifically listed the Company as a non-participating financial institution, or on payments made by the Company to the Holders of Notes unless the Company has otherwise assumed responsibility for withholding under United States tax law. The Company has obtained a GIIN and intends to comply with the Cayman FATCA Legislation.

(G) The OECD published Standard for Automatic Exchange of Financial Account Information, also known as the "Common Reporting Standard" ("**CRS**"), as a single global standard for the automatic exchange of information between taxation authorities in participating jurisdictions. The CRS draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the US IGA with the aim of improving transparency to counter tax evasion in participating jurisdictions and to provide the taxation authorities in participating jurisdictions with information on offshore or cross-border financial accounts and assets owned by individuals and entities resident in their local jurisdiction. The CRS sets out details of: (i) financial account information to be exchanged between tax authorities; (ii) the "financial institutions" required to collect and capture that financial account information and report it to those local tax or tax information exchange authorities; and (iii) the common due diligence standards to be followed by "financial institutions" to obtain that financial account information.

(H) The Cayman Islands has signed, along with over 100 participating jurisdictions, a multilateral competent authority agreement to implement the CRS. In the Cayman Islands The Cayman Islands Tax Information Authority (International Tax Compliance) (Common Reporting Standards) Regulations (As Amended) give effect to the CRS and require "financial institutions" such as the Company to identify, and report information in respect of, specified persons in CRS participating jurisdictions.

(I) European Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**DAC**"), introduces an extended regime for the automatic exchange of information between tax authorities in EU Member States. The DAC implements the CRS in relation to EU Member States and supersedes the regime for the automatic exchange of information regarding private savings income under EC Council Directive 2003/48/EC (known as the EU Savings Directive), which was repealed with effect from 1 January 2016 (subject to certain exceptions and transitional arrangements). The DAC already requires EU Member States to have adopted national legislation necessary to comply with it (including the CRS).

[***The Remainder of This Page Intentionally Left Blank; Signature Page Follows***]

IN WITNESS WHEREOF, the parties to this Indenture have caused this Indenture to be duly executed as of the date first written above.

VERTICAL AEROSPACE LTD.

By: /s/ Vincent Casey
Name: Vincent Casey
Title: Director

[Signature Page to Indenture]

U.S. BANK NATIONAL ASSOCIATION, AS PAYING AGENT

By: /s/ Benjamin J. Krueger
Name: Benjamin J. Krueger
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, AS REGISTRAR

By: /s/ Benjamin J. Krueger
Name: Benjamin J. Krueger
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Benjamin J. Krueger
Name: Benjamin J. Krueger
Title: Vice President

[Signature Page to Indenture]

EXHIBIT A

FORM OF NOTE

[*Insert Global Note Legend, if applicable*]

[*Insert Restricted Note Legend, if applicable*]

[*Insert Non-Affiliate Legend*]

Vertical Aerospace Ltd.

7.00% / 9.00% Convertible Senior Secured PIK Toggle Note due 2026

Common Code No.: 241791734 Certificate No. [___]
ISIN No.: XS2417917346

Vertical Aerospace Ltd., a Cayman Islands exempted company, for value received, promises to pay to USB Nominees (UK) Limited, or its registered assigns, the principal sum of [___] dollars (US$[___]) [(as revised by the attached Schedule of Exchanges of Interests in the Global Note and as increased by PIK Interest on the books and records of the Registrar pursuant to the Indenture)][1] on December [15], 2026 and to pay interest thereon, as provided in the Indenture referred to below, until the principal and all accrued and unpaid interest are paid or duly provided for.

Interest Payment Dates: June 15 and December 15 of each year, commencing on June 15, 2022.

Regular Record Dates: June 14 or December 14 immediately preceding each Interest Payment Date, or if any such day is not a Business Day, on the immediately preceding Business Day.

Additional provisions of this Note are set forth on the other side of this Note.

[***The Remainder of This Page Intentionally Left Blank; Signature Page Follows***]

1 Insert bracketed language for Global Notes only.

IN WITNESS WHEREOF, Vertical Aerospace Ltd. has caused this instrument to be duly executed as of the date set forth below.

VERTICAL AEROSPACE LTD.

Date: _____ By: _____

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. Bank National Association, as Trustee, certifies that this is one of the Notes referred to in the within-mentioned Indenture.

Date: _____ By: _____
Authorized Signatory

Vertical Aerospace Ltd.

7.00% / 9.00% Convertible Senior Secured PIK Toggle Note due 2026

This Note is one of a duly authorized issue of notes of Vertical Aerospace Ltd., a Cayman Islands exempted company (the "**Company**"), designated as its 7.00% / 9.00% Convertible Senior Secured PIK Toggle Notes due 2026 (the "**Notes**"), all issued or to be issued pursuant to an indenture, dated as of December [16], 2021 (as the same may be amended from time to time, the "**Indenture**"), between the Company and U.S. Bank National Association, as paying agent, registrar and trustee. Capitalized terms used in this Note without definition have the respective meanings ascribed to them in the Indenture.

The Indenture sets forth the rights and obligations of the Company, the Trustee and the Holders and the terms of the Notes. Notwithstanding anything to the contrary in this Note, to the extent that any provision of this Note conflicts with the provisions of the Indenture, the provisions of the Indenture will control.

1. **Interest**. This Note will accrue interest at a rate and in the manner set forth in Section 2.05 of the Indenture and Annex A hereto. Stated Interest on this Note will begin to accrue from, and including, December [16], 2021.

Stated Interest will accrue as Cash Interest or PIK Interest in accordance with Section 2.05(A).

2. **Maturity**. This Note will mature on December [15], 2026, unless earlier repurchased, redeemed or converted.

3. **Method of Payment**. Cash amounts due on this Note will be paid in the manner set forth in Section 2.04 of the Indenture. PIK Interest will be paid in the manner set forth in Section 2.05(B) of the Indenture.

4. **Persons Deemed Owners**. The Holder of this Note will be treated as the owner of this Note for all purposes.

5. **Denominations; Transfers and Exchanges**. All Notes will be in registered form, without coupons, in principal amounts equal to any Authorized Denominations. Subject to the terms of the Indenture, the Holder of this Note may transfer or exchange this Note by presenting it to the Registrar and delivering any required documentation or other materials.

6. **Right of Holders to Require the Company to Repurchase Notes upon a Fundamental Change**. If a Fundamental Change occurs, then each Holder will have the right to require the Company to repurchase such Holder's Notes (or any portion thereof in an Authorized Denomination) for cash in the manner, and subject to the terms, set forth in Section 4.02 of the Indenture.

7. **Right of the Company to Redeem the Notes**. The Company will have the right to

redeem the Notes for cash in the manner, and subject to the terms, set forth in Section 4.03 of the Indenture.

8. **Conversion**. The Holder of this Note may convert this Note into Conversion Consideration in the manner, and subject to the terms, set forth in Article 5 of the Indenture.

9. **When the Company May Merge, Etc**. Article 6 of the Indenture places limited restrictions on the Company's ability to be a party to a Business Combination Event.

10. **Defaults and Remedies**. If an Event of Default occurs, then the principal amount of, and all accrued and unpaid interest on, all of the Notes then outstanding may (and, in certain circumstances, will automatically) become due and payable in the manner, and subject to the terms, set forth in Article 7 of the Indenture.

11. **Registration Rights**. The Holder of this Note is entitled to registration rights as set forth in the Subscription Agreement.

12. **Amendments, Supplements and Waivers**. The Company and the Trustee may amend or supplement the Indenture or the Notes or waive compliance with any provision of the Indenture or the Notes in the manner, and subject to the terms, set forth in Section 7.05 and Article 8 of the Indenture.

13. **No Personal Liability of Directors, Officers, Employees and Shareholders**. No past, present or future director, officer, employee, incorporator or shareholder of the Company, as such, will have any liability for any obligations of the Company under the Indenture or the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting any Note, each Holder waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.

14. **Authentication**. No Note will be valid until it is authenticated by the Trustee. A Note will be deemed to be duly authenticated only when an authorized signatory of the Trustee (or a duly appointed authenticating agent) manually signs the certificate of authentication of such Note.

15. **Abbreviations**. Customary abbreviations may be used in the name of a Holder or its assignee, such as TEN COM (tenants in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (custodian), and U/G/M/A (Uniform Gift to Minors Act).

16. **Governing Law**. THIS NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS NOTE, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

* * *

To request a copy of the Indenture, which the Company will provide to any Holder at no charge, please send a written request to the following address:

Vertical Aerospace Ltd.
140-142 Kensington Church Street
London, W8 4BN
United Kingdom

Annex A
Accrual of Interest; Defaulted Amounts; When Payment Date is Not a Business Day

Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(A) *Accrual of Interest*.

(i) Each Note will accrue interest at a rate per annum equal to seven percent (7.00%) with respect to interest paid in cash ("**Cash Interest**") and nine percent (9.00%) with respect to PIK Interest (together with the Cash Interest as the interest rate selected by the Company for any Interest Period, the "**Stated Interest**"), plus Special Interest on the Notes, if any, that may accrue pursuant to **Section 7.03** of the Indenture. Stated Interest on each Note will (i) accrue from, and including, the most recent date to which Stated Interest has been paid or duly provided for (or, if no Stated Interest has theretofore been paid or duly provided for, the date set forth in the certificate representing such Note as the date from, and including, which Stated Interest will begin to accrue in such circumstance) to, but excluding, the date of payment of such Stated Interest; and (ii) be, subject to **Sections 4.02(D)**, **4.03(E)** and **5.02(D)** of the Indenture (but without duplication of any payment of interest), payable semi-annually in arrears on each Interest Payment Date, beginning on the first Interest Payment Date set forth in the certificate representing such Note, to the Holder of such Note as of the Close of Business on the immediately preceding Regular Record Date. Stated Interest, and, if applicable, Special Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(ii) The Company shall elect on each Interest Payment Date, by notice to the Trustee, whether interest for the immediately following Interest Period shall be Cash Interest or PIK Interest (and not a combination thereof); *provided* that if the Company does not timely elect the form of interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to timely make such election will not constitute a Default or Event of Default).

(B) *Cash Interest.*

(i) All accrued and unpaid Cash Interest on the Notes for the relevant Interest Period shall be paid in cash on the related Interest Payment Date.

(ii) The Company shall determine on each Interest Payment Date to pay Cash Interest or PIK Interest, and in the case of Cash Interest, to pay cash for the immediately following Interest Period; *provided* that if the Company does not timely elect the form of interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to timely make such election will not constitute a Default or Event of Default).

(C) *PIK Interest*.

(i) Any PIK Interest on the Notes will be payable to Holders and (x) with respect to the Notes represented by one or more Global Notes registered in the name of, or held by, the Common Depositary or its nominee on the relevant Regular Record Date, by increasing the

principal amount of the outstanding Global Notes by an amount equal to the amount of PIK Interest for the applicable Interest Period (rounded up to the nearest whole dollar), and the Trustee will, upon receipt of an Authentication Order from the Company, record such increase in principal amount and (y) with respect to Notes represented by certificated Notes, by increasing the balance of such Notes on the books and records of the Registrar (or, in the Trustee's sole discretion, by issuing PIK Notes in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the applicable Interest Period) (rounded up to the nearest whole dollar), and the Trustee will, upon receipt of an Authentication Order and PIK Notes from the Company, increase the balance of the certificated notes on the books and records of the Registrar (or, in the Trustee's sole discretion, authenticate and deliver such PIK Notes in certificated form for original issuance) to the Holders as of the relevant record date, as shown by the records of the Register. Following an increase in the principal amount of the outstanding Notes as a result of a PIK Payment, the Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. Any PIK Notes issued in certificated form will be distributed to Holders, will be dated as of the applicable Interest Payment Date and will bear interest from and after such date. All Notes issued pursuant to a PIK Payment will mature on the Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Notes issued on the Issue Date.

(ii) If the Company pays a portion of the interest on the Notes in cash and a portion as PIK Interest, such cash and PIK Interest shall be paid to Holders pro rata in accordance with their interests.

(iii) Notwithstanding anything to the contrary in this Indenture or the Notes, the payment of accrued and unpaid interest in connection with any repurchase of the Notes as described **Article 4** of this Indenture and on the Maturity Date shall be made solely in cash.

(D) *Defaulted Amounts*. If the Company fails to pay any amount (a "**Defaulted Amount**") payable on a Note on or before the due date therefor as provided in this Indenture, then, regardless of whether such failure constitutes an Event of Default, (i) such Defaulted Amount will forthwith cease to be payable to the Holder of such Note otherwise entitled to such payment; (ii) to the extent lawful, interest ("**Default Interest**") will accrue on such Defaulted Amount at a rate per annum equal to the rate per annum at which Stated Interest for the applicable Interest Period accrues plus 100 basis points, from, and including, such due date to, but excluding, the date of payment of such Defaulted Amount and Default Interest; (iii) such Defaulted Amount and Default Interest then due thereon will be paid on a payment date selected by the Company to the Holder of such Note as of the Close of Business on a special record date selected by the Company, *provided* that such special record date must be no more than fifteen (15), nor less than ten (10), calendar days before such payment date; and (iv) at least fifteen (15) calendar days before such special record date, the Company will send notice to the Trustee and the Holders that states such special record date, such payment date and the amount of such Defaulted Amount and Default Interest then due thereon to be paid on such payment date.

(E) a merger involving, or a transfer of assets by, a limited liability company, limited partnership or trust will be deemed to include any division of or by, or an allocation of assets to a series of, such limited liability company, limited partnership or trust, or any unwinding of any such division or allocation;

(F) In addition to Default Interest, (but without duplication thereof) upon the occurrence and during the continuance of an Event of Default other than a Reporting Event of Default, to the extent lawful, interest on the Notes will accrue at a rate per annum equal to the rate per annum at which Stated Interest for the applicable Interest Period accrues plus 200 basis points, from, and including, the date that such Event of Default occurred to, but excluding, the date that such Event of Default has been cured.

(G) *Delay of Payment when Payment Date is Not a Business Day*. If the due date for a payment on a Note as provided in this Indenture is not a Business Day, then, notwithstanding anything to the contrary in this Indenture or the Notes, such payment may be made on the immediately following Business Day and no interest will accrue on such payment as a result of the related delay. Solely for purposes of the immediately preceding sentence, a day on which the applicable place of payment is authorized or obligated by law, regulation or executive order to close or be closed will be deemed not to be a "Business Day."

(H) On or prior to each Interest Payment Date, the Company shall deliver a written notice to the Holders, the Trustee, the Paying Agent and the Conversion Agent for the succeeding Interest Period. Such notice shall include:

(i) whether the Company will pay Cash Interest or PIK Interest and a reasonably detailed calculation thereof; and

(ii) any other information that may be reasonably requested by the Trustee or a Paying Agent in connection with the foregoing;

provided that if the Company does not timely elect the form of interest payment, then the Company will be deemed to have selected PIK Interest (and, for the avoidance of doubt, the failure to provide such notice will not constitute a Default or Event of Default).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE[1]

INITIAL PRINCIPAL AMOUNT OF THIS GLOBAL NOTE: US$[___]

The following exchanges, transfers or cancellations of this Global Note have been made:

Date	Amount of Increase (Decrease) in Principal Amount of this Global Note	Principal Amount of this Global Note After Such Increase (Decrease)	Signature of Authorized Signatory of Trustee or Common Depositary

1 Insert for Global Notes only.

NOTICE OF CONVERSION

Vertical Aerospace Ltd.

7.00% / 9.00% Convertible Senior Secured PIK Toggle Note due 2026

Subject to the terms of the Indenture, by executing and delivering this Notice of Conversion, the undersigned Holder of the Note identified below directs the Company to convert (check one):

? the entire principal amount of

? US$_____[2] aggregate principal amount of

the Note identified by ISIN No. XS2417917346 and Certificate No. _____.

The undersigned acknowledges that if the Conversion Date of a Note to be converted is after a Regular Record Date and before the next Interest Payment Date, then such Note, when surrendered for conversion, must, in certain circumstances, be accompanied with an amount of cash equal to the interest that would have accrued on such Note to, but excluding, such Interest Payment Date.

Date: _____ _____

(Legal Name of Holder)

By: _____

Name:

Title:

[2] Must be an Authorized Denomination.

FUNDAMENTAL CHANGE REPURCHASE NOTICE

Vertical Aerospace Ltd.

7.00% / 9.00% Convertible Senior Secured PIK Toggle Note due 2026

Subject to the terms of the Indenture, by executing and delivering this Fundamental Change Repurchase Notice, the undersigned Holder of the Note identified below is exercising its Fundamental Change Repurchase Right with respect to (check one):

? the entire principal amount of

? US$_____[1] aggregate principal amount of

the Note identified by ISIN No. XS2417917346 and Certificate No. _____.

The undersigned acknowledges that this Note, duly endorsed for transfer, must be delivered to the Paying Agent before the Fundamental Change Repurchase Price will be paid.

Date: _____ _____
(Legal Name of Holder)

By: _____
Name:
Title:

[1] Must be an Authorized Denomination.

ASSIGNMENT FORM

Vertical Aerospace Ltd.

7.00% / 9.00% Convertible Senior Secured PIK Toggle Note due 2026

Subject to the terms of the Indenture, the undersigned Holder of the within Note assigns to:

Name: _____

Address: _____

Social security or tax identification number: _____

the within Note and all rights thereunder irrevocably appoints:

as agent to transfer the within Note on the books of the Company. The agent may substitute another to act for him/her.

Date: _____ _____

(Legal Name of Holder)

By: _____

Name:

Title:

TRANSFEROR ACKNOWLEDGMENT

If the within Note bears a Restricted Note Legend, the undersigned further certifies that (check one):

1. ? Such Transfer is being made to the Company or a Subsidiary of the Company.

2. ? Such Transfer is being made pursuant to, and in accordance with, a registration statement that is effective under the Securities Act at the time of the Transfer.

3. ? Such Transfer is being made pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act).

4. ? Such Transfer is being made pursuant to, and in accordance with, any other available exemption from the registration requirements of the Securities Act (including, if available, the exemption provided by Rule 144 under the Securities Act).

If item 4 is checked and such transfer is being made pursuant to a privately negotiated transaction exempt from the registration requirement under the Securities Act of 1933 to a Person that the undersigned reasonably believes is purchasing the within Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or an "accredited investor" as defined in rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D under the Securities Act, the transferee must complete and execute the acknowledgment on the next page.

Dated: _____

_____
(Legal Name of Holder)

By: _____
Name:
Title:

Signature Guaranteed:

_____
(Participant in a Recognized Signature
Guarantee Medallion Program)

By: _____
Authorized Signatory

TRANSFEREE ACKNOWLEDGMENT

The undersigned represents that it is purchasing the within Note for its own account, or for one or more accounts with respect to which the undersigned exercises sole investment discretion, and that and the undersigned and each such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or an "accredited investor" as defined in rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D. The undersigned acknowledges that the transferor is relying, in transferring the within Note pursuant to a privately negotiated transaction exempt from the registration requirement under the Securities Act of 1933, as amended, and that the undersigned has received such information regarding the Company as the undersigned has requested pursuant to section 3.03 of the Indenture.

Dated: _____

_____
(Name of Transferee)

By: _____
Name:
Title:

EXHIBIT B-1

FORM OF RESTRICTED NOTE LEGEND

THE OFFER AND SALE OF THIS NOTE AND ORDINARY SHARES ISSUABLE UPON CONVERSION OF THIS NOTE (IF ANY) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE AND SUCH SHARES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR THEREOF OR OF A BENEFICIAL INTEREST HEREIN OR THEREIN, THE ACQUIRER THE ACQUIRER AGREES FOR THE BENEFIT OF VERTICAL AEROSPACE GROUP LTD. (THE "COMPANY") THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE AND THE SHARES OF ORDINARY SHARES ISSUABLE UPON CONVERSION OF THIS NOTE (IF ANY) OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF;

(B) PURSUANT TO A REGISTRATION STATEMENT THAT IS EFFECTIVE UNDER THE SECURITIES ACT;

(C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT; OR

(D) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

BEFORE THE REGISTRATION OF ANY SALE OR TRANSFER IN ACCORDANCE WITH (D) ABOVE, THE COMPANY, THE TRUSTEE AND THE REGISTRAR (1) SHALL RECEIVE THE TRANSFEROR ACKNOWLEDGMENT AND TRANSFEREE ACKNOWLEDGMENT AND (2) RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH CERTIFICATES OR OTHER DOCUMENTATION OR EVIDENCE AS THEY MAY REASONABLY REQUIRE IN ORDER FOR THE COMPANY TO DETERMINE THAT THE PROPOSED SALE OR TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

THIS NOTE AND THE ORDINARY SHARES, ISSUABLE UPON CONVERSION OF THIS NOTE SHALL BE ENTITLED TO THE BENEFITS OF THAT CERTAIN SUBSCRIPTION AGREEMENT, DATED OCTOBER 26, 2021, AMONG VERTICAL AEROSPACE LTD. AND THE SUBSCRIBER (AS DEFINED IN THE INDENTURE, DATED AS OF DECEMBER [16], 2021 BETWEEN THE COMPANY AND U.S. BANK NATIONAL ASSOCIATION, AS PAYING AGENT, REGISTRAR AND TRUSTEE).

EXHIBIT B-2

FORM OF GLOBAL NOTE LEGEND

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR A NOMINEE OF THE COMMON DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS THE OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT HEREON IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY OR ITS NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON DEPOSITARY, OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE 2 OF THE INDENTURE HEREINAFTER REFERRED TO.

THIS GLOBAL NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR

SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS GLOBAL NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS GLOBAL NOTE SHALL BE DEEMED, BY THE ACCEPTANCE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

EXHIBIT B-3

FORM OF NON-AFFILIATE LEGEND

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS SECURITY OR A BENEFICIAL INTEREST HEREIN.

Exhibit C

FORM OF SUPPLEMENTAL INDENTURE

TO BE DELIVERED BY SUBSEQUENT GUARANTORS

[ ] Supplemental Indenture (this "Supplemental Indenture"), dated as of among Vertical Aerospace Ltd. (the "Company"), _____ (the "Guaranteeing Subsidiary"), a subsidiary of the Company, and U.S. Bank National Association, as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (as amended, modified or supplemented from time to time, the "Indenture"), dated as of December [16], 2021, providing for the issuance of an unlimited aggregate principal amount of 7.00% / 9.00% Convertible Senior Secured PIK Toggle Notes due 2026 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary may execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 8.01(B) of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without the consent of Holders.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including Article 9 thereof.

Execution and Delivery. The Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy, which may be delivered by facsimile or PDF transmission, shall be an original, but all of them together represent the same agreement. Signatures of

the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Signatures of the parties hereto transmitted by facsimile, PDF or other electronic transmission (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Supplemental Indenture as to the other parties hereto will be deemed to be their original signatures for all purposes. The Company agrees to assume all risks arising out of the use of digital signatures and electronic methods to submit communications to Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary.

Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

Representations and Warranties by Guaranteeing Subsidiary. The Guaranteeing Subsidiary hereby represents and warrants to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms and the terms of the Indenture.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

VERTICAL AEROSPACE LTD.

By: _____
Name:
Title:

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

Exhibit D
[INSERT DATE]

To:
U.S. Bank National Association
Global Corporate Trust Services
60 Livingston Avenue
St. Paul, MN 55107
(as "**Paying Agent**" and "**Trustee**"))

Attn: Account Administration
E-Mail: [INSERT E-MAIL ADDRESS)

Copy :
Elavon Financial Services DAC
Block F1, Cherrywood Business Park
Cherrywood, Dublin 18
D18 W2X7, Ireland
(as "**Common Depositary**")
E-Mail: Common.Depositary@usbank.com; CDRM@usbank.com

RE. CASH / PIK INTEREST NOTIFICATION TO TRUSTEE AND PAYING AGENT FOR USD 200,000,000 7.00% / 9.00% CONVERTIBLE SENIOR SECURED PIK TOGGLE NOTES DUE 2026 (ISIN: [INSERT ISIN]), (THE "NOTES")

Dear Sirs,

We refer to the indenture dated [INSERT DATE], between, amongst others, Vertical Aerospace Ltd, as issuer (the "**Issuer**"), U.S. Bank National Association as paying agent (the "**Paying Agent**"), as registrar (the "**Registrar**"), as trustee (the "**Trustee**") and collateral agent (the "**Collateral Agent**") (the "**Indenture**"). Capitalised terms not defined herein are otherwise defined in the Indenture.

In accordance with Section 2.05(A)(ii) of the Indenture, we hereby give notice to the Trustee (with a copy to Paying Agent and Common Depositary) of the Issuer's intention to elect that interest due on the Interest Payment Date [INSERT INTEREST PAYMENT DATE] shall be [Cash Interest at 7.00% / PIK Interest at 9.00% (*delete as appropriate*).

If Cash Interest is elected, the Issuer will pay such amount [INSERT USD AMOUNT] to the Paying Agent on the Interest Payment Date.

If PIK Interest is elected, such PIK Interest will be reflected on the Notes by increasing the nominal amount (value) outstanding of the Notes, which the Common Depositary will reflect as a markup in the pool factor at Euroclear and Clearstream. The principal amount outstanding will remain unchanged at USD 200,000,000.

Yours sincerely,

VERTICAL AEROSPACE LTD

Exhibit 2.6

DESCRIPTION OF SECURITIES AND ARTICLES OF ASSOCIATION

As of December 31, 2021, Vertical Aerospace Ltd. (the "Company," "we," "us," and "our") had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our ordinary shares par value $0.0001 per share ("ordinary shares") and public warrants to purchase our ordinary shares ("Public Warrants"). Set forth below is a summary of certain information concerning our share capital as well as a description of certain material terms of our Amended and Restated Memorandum and Articles of Association (the "Articles"), which became effective in connection with our business combination with Broadstone Acquisition Corp., which was closed on December 16, 2021 (the "Business Combination"), and relevant provisions of Cayman Islands law. Because the following is only a summary, it does not contain all of the information that may be important to you. The following summary does not purport to be complete and is qualified in its entirety by reference to applicable Cayman Islands law and our Articles, which has been publicly filed with the Securities and Exchange Commission ("SEC").

General

We are a Cayman Islands exempted company with limited liability (company number 376116). Our affairs are governed by our Articles and the Companies Act of the Cayman Islands, as amended and restated from time to time (the "Companies Act").

Our objects are unrestricted, and Section 3 of our Articles provides that we shall have full power and authority to carry out any object not prohibited by any law.

Our register of members is maintained by Continental Stock Transfer & Trust Company.

Ordinary Shares

General

We are authorized to issue 500,000,000 ordinary shares. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Certificates representing our issued and outstanding ordinary shares are generally not issued and legal title to our issued shares is recorded in registered form in the register of members. Holders of ordinary shares do not have any conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the ordinary shares.

We currently have only one class of issued ordinary shares, which have identical rights in all respects and rank equally with one another. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors.

Our board of directors ("Board") may provide for other classes of shares, including classes of preferred shares, out of our authorized but unissued share capital, which could be utilized for a variety of corporate purposes, including future offerings to raise capital for corporate purposes or for use in employee benefit plans. Such additional classes of shares shall have such rights, restrictions, preferences, privileges and payment obligations as determined by our Board. If we issue any preferred shares, the rights, preferences and privileges of holders of our ordinary shares will be subject to, and may be adversely affected by, the rights of the holders of such preferred shares. See "*—Variations of Rights of Shares*."

As of December 31, 2021, there were 209,135,382 ordinary shares outstanding.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our Board subject to the Companies Act and our Articles. Dividends and other distributions on issued and outstanding ordinary shares may be paid out of the funds of the Company lawfully available for such purpose, subject to any preference of any outstanding preferred shares. Dividends and other distributions will be distributed among the holders of our ordinary shares on a pro

rata basis. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our Board and will depend upon such factors as earnings levels, capital requirements, contractual restrictions, our overall financial condition, available distributable reserves and any other factors deemed relevant by our Board.

Voting Rights

Holders of ordinary shares are entitled to one vote for each share held of record on all matters to be voted on by shareholders. A quorum required for a meeting of shareholders consists of members holding at least a simple majority of all voting share capital in issue at any such general meeting of the Company. Voting at any meeting of shareholders is by poll and not on a show of hands.

A special resolution will be required for important matters such as a merger or consolidation of the Company, change of name or making changes to our Articles or the voluntary winding up of the Company.

The adoption of any ordinary resolution by our shareholders requires the affirmative vote of a simple majority of the votes permitted to be cast by persons present and voting at a general meeting at which a quorum is present, while a special resolution requires the affirmative vote of no less than two-thirds of the votes permitted to be cast by persons present and voting at any such meeting, or, in each case, a unanimous resolution in writing.

Variations of Rights of Shares

Under the Articles, if our share capital is divided into more than one class of shares, the rights attached to any such class may, whether or not the Company is being wound up, be varied without the consent of the holders of the issued shares of that class where such variation is considered by our directors not to have a material adverse effect upon such rights; otherwise, any such variation shall be made only with the consent in writing of the holders of not less than two thirds of the issued shares of that class or with the approval of a resolution passed by a majority of not less than two thirds of the votes cast at a separate meeting of the holders of the shares of that class.

Transfer of Ordinary Shares

Any of our shareholders may transfer all or any of their ordinary shares by an instrument of transfer in the usual or common form or any other form prescribed by the stock exchange, the SEC and/or any other competent regulatory authority or otherwise under applicable law, or approved by our Board, subject to the applicable restrictions of our Articles, such as the determination by the directors that a proposed transfer is not eligible.

Ownership Threshold

There are no provisions under Cayman Islands law applicable to us, or under the Articles, that require us to disclose shareholder ownership above any particular ownership threshold.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by the Articles on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in the Articles governing the ownership threshold above which shareholder ownership must be disclosed.

Anti-Takeover Provisions in the Articles

Some provisions of the Articles may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our Board to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

Liquidation

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares, holders of ordinary shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

Calls on Shares and Forfeiture of Shares

Our Board may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Directors

Our management is vested in our Board. Our Articles provide that questions arising at any meeting of directors shall be decided by the votes of a majority of the directors presented at a duly held meeting at which a quorum is present, or by unanimous written resolution of the Board. The quorum necessary for any Board meeting shall consist of at least a majority of the members of our Board.

Each Director shall hold office until the expiration of his or her term, until his or her successor shall have been duly elected and qualified or until his or her earlier death, resignation or removal.

There is no cumulative voting with respect to the appointment of directors.

Directors may be appointed either to fill a vacancy arising from the resignation of a former director or as an addition to the existing Board by the affirmative vote of a simple majority of the directors present and voting at a Board meeting. A vacancy on the Board created by the removal of a director may be filled by the election or appointment by an ordinary resolution at the general meeting at which such director is removed or by the affirmative vote of a simple majority of the remaining directors present and voting at a Board meeting. A director may be removed from office by a special resolution for cause at the general meeting of the shareholders, or by a special resolution where the Board makes a determination that removal of a director is in the best interests of the Company.

Indemnity of Directors and Officers

Our Articles provide that our Board and officers shall be indemnified from and against all liability which they incur in execution of their duty in their respective offices to the fullest extent permitted under the laws of the Cayman Islands.

Differences in Company Law

Cayman Islands companies are governed by the Companies Act. The Companies Act is modeled on English Law but does not follow recent English Law statutory enactments, and differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

In certain circumstances, the Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands exempted company and a company incorporated in another jurisdiction (*provided* that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan of merger or consolidation must then be authorized by either (a) a special resolution (usually the affirmative vote of the holders of at least a two-thirds (2/3) majority of the issued ordinary shares of the company that are present in person or represented by proxy and entitled to vote thereon and who vote at the general meeting) of the shareholders of each company; and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company.

The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Registrar of Companies of the Cayman Islands is satisfied that the requirements of the Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies of the Cayman Islands will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements

set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows: (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (d) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; and (e) if the company and the shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition with the Cayman Islands courts to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, that will generally be more suited for complex mergers or other transactions involving widely held companies. Such transactions, commonly referred to in the Cayman Islands as a “scheme of arrangement,” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedures for which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States),

the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at an annual general meeting, or extraordinary general meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Cayman Islands courts. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- The company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority."

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights (providing rights to receive payment in cash for the judicially determined value of the shares), which would otherwise ordinarily be available to dissenting shareholders of United States corporations.

Squeeze-out Provisions

When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer relates within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Cayman Islands courts, but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through means other than these statutory provisions, such as a share capital exchange, asset acquisition or control, or through contractual arrangements of an operating business.

Shareholders' Suits

Walkers (Cayman) LLP, our Cayman Islands legal counsel, is not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based both on Cayman Islands authorities and on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Enforcement of Civil Liabilities

The Cayman Islands has a different body of securities laws as compared to the United States and provides less protection to investors. Additionally, Cayman Islands companies may not have standing to sue before the Federal courts of the United States.

We have been advised by Walkers (Cayman) LLP, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Special Considerations for Exempted Companies

We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies of the Cayman Islands;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands

courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Articles permit indemnification of officers and directors, to the fullest

extent permitted under the laws of the Cayman Islands, for any liability and loss suffered and expenses, including legal expenses, incurred in their capacities as such in connection with any action, suit or proceeding, where civil, administrative or investigative. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we have entered into indemnification agreements with our directors that will provide such persons with additional indemnification beyond that provided in our Articles.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

- Under Cayman Islands law, directors and officers owe the following fiduciary duties:
- duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- directors should not improperly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of shareholders;
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and
- duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the Articles or alternatively by shareholder approval at general meetings.

Shareholder Action by Written Consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. The Articles provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. The Articles do not permit our shareholders to requisition either an annual general meeting or an extraordinary general meeting. However, if an annual general meeting or an extraordinary general meeting is called by the Directors, shareholders who are entitled to vote at the meeting and who comply with the notice provisions in the Articles may put forth a proposal. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, the Articles do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed for cause with the approval of a majority of the issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Articles, directors may be removed by the shareholders only for "Cause" (i.e., a conviction of a felony, the willful misconduct in the performance of director's duties to the Company in a matter of substantial importance, or mental incompetency that directly affects such director's ability to perform his or her obligations as a director) by a special resolution (except if the Board makes a determination that removal of a director by the shareholders by special resolution is in the best interests of the Company, then the definition of "Cause" shall not apply). A director will also cease to be a director if he or she (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) is prohibited by applicable law from being a director; or (v) the director absents himself or herself (for the avoidance of doubt, without being represented by proxy) from meetings of the Board for six consecutive months without special leave of absence from the directors, and the directors pass a resolution that he or she has by reason of such absence vacated office.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute under its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages

any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Articles, if the Company is wound up, the liquidator of our company may distribute the assets with the sanction of an ordinary resolution of the shareholders and any other sanction required by law.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

Under the Articles, if our share capital is divided into more than one class of shares, the rights attached to any such class may, whether or not the Company is being wound up, be varied without the consent of the holders of the issued shares of that class where such variation is considered by our directors not to have a material adverse effect upon such rights; otherwise, any such variation shall be made only with the consent in writing of the holders of not less than two thirds of the issued shares of that class or with the approval of a resolution passed by a majority of not less than two thirds of the votes cast at a separate meeting of the holders of the shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote on the matter, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, the Articles may only be amended by a special resolution of the shareholders.

Directors' Power to Issue Shares

Subject to applicable law, our board of directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, or other rights or restrictions.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Holders of our shares have no general right under Cayman Islands law to inspect or obtain copies of our register of members or our corporate records.

Waiver of Certain Corporate Opportunities

Under the Articles, the Company has renounced any interest or expectancy of the Company in, or in being offered an opportunity to participate in, certain opportunities where such opportunities come into the possession

of one of our directors other than in his or her capacity as a director (as more particularly described in the Articles). This is subject to applicable law and may be waived by the relevant director.

Warrants

As of December 31, 2021, there were 15,265,146 Public Warrants outstanding.

Each whole warrant entitles the registered holder to purchase one ordinary share at a price of $11.50 per share, subject to adjustment as discussed below. The warrants will expire on December 16, 2026, five years after the date on which the Business Combination was completed, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any ordinary shares pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the ordinary shares underlying the warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and we will not be obligated to issue an ordinary share upon exercise of a warrant unless the ordinary share issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we be required to net cash settle any warrant.

We have agreed to use our commercially reasonable efforts to maintain the effectiveness of a registration statement filed with the SEC and a current prospectus relating to those ordinary shares until the warrants expire or are redeemed, as specified in the warrant agreement; provided that if our ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement. Warrant holders may exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption during any period when we will have failed to maintain an effective registration statement, but we will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the warrants for that number of ordinary shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of ordinary shares underlying the warrants, multiplied by the excess of the "fair market value" (defined below) over the exercise price of the warrants by (y) the fair market value and (B) 0.361 per whole warrant. The "fair market value" as used in this paragraph shall mean the volume weighted average price of the ordinary shares for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

No fractional ordinary shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of ordinary shares to be issued to the holder.

A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the ordinary shares issued and outstanding immediately after giving effect to such exercise.

Redemption of warrants for cash when the price per ordinary share equals or exceeds $18.00. Once the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption to each warrantholder; and

- if, and only if, the closing price of the ordinary shares equals or exceeds $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described below) for any 20 trading days within a 30-trading day period ending three trading days before we send the notice of redemption to the warrantholders.

We will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the ordinary shares issuable upon exercise of the warrants is then effective and a current prospectus relating to those ordinary shares is available throughout the 30-day redemption period. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

Redemption of warrants for ordinary shares when the price per ordinary share equals or exceeds $10.00. Once the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;

- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" of our ordinary shares (as defined below) except as otherwise described below;

- if, and only if, the closing price of our ordinary shares equals or exceeds $10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described below) for any 20 trading days within the 30-trading day period ending three trading days before we send the notice of redemption to the warrantholders; and

- if the closing price of the ordinary shares for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrantholders is less than $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described below).

Beginning on the date the notice of redemption is given until the warrants are redeemed or exercised, holders may elect to exercise their warrants on a cashless basis. In such event, each holder of the warrants would pay the exercise price by surrendering the whole warrants for that number of ordinary shares determined based on the redemption date and the "fair market value" of our ordinary shares. The "fair market value" is determined for these purposes based on volume weighted average price of our ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants. We will provide our warrantholders with the final fair market value no later than one business day after the 10-trading day period described above ends. In addition, we may, at our option, require all holders of warrants to exercise their warrants on a "cashless basis" if our ordinary shares are at the time of exercise of a public warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act (or any successor rule).

The exercise price and number of ordinary shares issuable on exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, share split-up, extraordinary dividend or our recapitalization, reorganization, merger or consolidation.

The warrants are issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of curing any ambiguity or correct any mistake, but requires the approval by the holders of at least 50% of the then-outstanding warrants in order to make any change that adversely affects the interests of the registered holders.

The warrantholders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their warrants and receive ordinary shares. After the issuance of ordinary shares upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of ordinary shares to be issued to the warrantholder.

We have agreed that, subject to applicable law, any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim.

Listing

Our ordinary shares and warrants are listed on The New York Stock Exchange under the symbols “EVTL” and “EVTLW,” respectively.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares and warrants is Continental Stock Transfer & Trust Company.

Exhibit 4.2

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement is entered into as of December 15, 2021, by and among (i) Vertical Aerospace Ltd., a Cayman Islands exempted company incorporated with limited liability (the "***Company***"), (ii) the parties listed on Schedule A hereto (each such party, together with the Sponsor 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***"), and (iii) for the limited purpose set forth in Section 5.5 of this Agreement, Broadstone Acquisition Corp., a Cayman Islands exempted company ("***Broadstone***"). Certain capitalized terms used and not otherwise defined herein are defined in Article 1 hereof.

RECITALS

WHEREAS, (i) the Company; (ii) Broadstone; (iii) Sponsor; (iv) Vertical Merger Sub Ltd., a Cayman Islands exempted company incorporated with limited liability ("***Merger Sub***"); (v) Vertical Aerospace Group Ltd., a company limited by shares incorporated in England under registration number 12590994 ("***Vertical***"); (vi) Vincent Casey, a British citizen; and (vii) the Company Shareholders (as defined in the Business Combination Agreement) have entered into that certain Business Combination Agreement dated as of June 10, 2021 (the "***Business Combination Agreement***"), pursuant to which, among other things, Broadstone will merge with and into Merger Sub (the "***Merger***") and the Company will acquire all of the issued and outstanding shares of Vertical (the "***Share Acquisition***");

WHEREAS, pursuant to the Business Combination Agreement, the Avolon Warrant Instrument and/or the American Warrant Instrument, as of the date hereof, the Holders are or may become the holders of the Ordinary Shares (or warrants representing such Ordinary Shares) set forth in Schedule A to this Agreement; and

WHEREAS, on or about the date hereof, each Holder is entering into a lock-up agreement with the Company (each a "***Lock-Up Agreement***"), pursuant to which, among other things, each Holder agrees not to transfer certain Ordinary Shares for a certain period of time following the Closing, subject to certain exceptions specified therein;

WHEREAS, Broadstone and Sponsor entered into that certain Registration Rights Agreement, dated as of September 10, 2020 (the "***Prior Agreement***");

WHEREAS, Broadstone and Sponsor wish to terminate the Prior Agreement, with such termination effective as of the date hereof, in order to provide for the terms and conditions included herein; and

WHEREAS, the parties hereto are entering into this Agreement concurrently with, and contingent upon, the Closing.

NOW, **THEREFORE**, in consideration of the mutual 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 1.
DEFINITIONS

1.1 Definitions. The terms defined in this Article 1 shall, for all purposes of this Agreement, have the respective meanings set forth below:

"***AA Securities***" means the securities of the Company that are registrable pursuant to the AA SPA.

"***AA SPA***" shall have the meaning ascribed to such term in the Business Combination Agreement.

"***Adverse Disclosure***" shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the principal 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, and (iii) the Company has a bona fide business purpose for not making such information public.

"***Agreement***" shall mean this Registration Rights Agreement, as amended, restated, supplemented, or otherwise modified from time to time.

"***American Warrant Instrument***" shall mean the American Warrant Instrument dated on or around the date hereof.

"***Automatic Shelf Registration Statement***" shall have the meaning given in Section 2.3.1.

"***Avolon Warrant Instrument***" shall mean the Avolon Warrant Instrument dated on or around the date hereof.

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

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

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

"***Closing***" shall mean the closing of the Merger and the Share Acquisition in accordance with the terms of the Business Combination Agreement.

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

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

"***Convertible Notes Subscription Agreement***" means the subscription agreement, dated October 26, 2021, entered into among the Company, Broadstone and Mudrick Capital Management L.P., pursuant to which, among other things, the Company agreed to issue and sell, in a private placement that is conditioned upon, and will close concurrently with, the Share Acquisition, certain convertible senior secured notes and warrants exercisable for Ordinary Shares.

"***Demand Registration***" shall have the meaning given in Section 2.1.1.

"***Demanding Holder***" shall have the meaning given in Section 2.1.1.

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

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

"***LNH SPA***" shall have the meaning ascribed to such term in the Business Combination Agreement.

"***Lock-Up Agreement***" shall have the meaning given in the Recitals hereto.

"***Long Form Registration***" shall have the meaning given in Section 2.1.1.

"***Maximum Number of Securities***" shall have the meaning given in Section 2.1.4.

"***Merger***" shall have the meaning 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 not misleading or, in the case of a Prospectus, not misleading in the light of the circumstances under which they were made.

"***Ordinary Shares***" shall mean the ordinary shares, with a par value of US$0.0001, of the Company.

"***Permitted Transferees***" shall mean any person or entity to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the lock-up period in the applicable Lock-Up Agreement and any other applicable agreement between such Holder and the Company, and to any transferee thereafter.

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

"***PIPE Subscription Agreements***" means (i) those certain subscription agreements, each dated June 10, 2021, as amended and restated on or around October 27, 2021 and (ii) that certain subscription agreement, dated October 27, 2021, in each case entered into by and among the Company and the persons identified therein as "Subscribers".

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

"***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 the Ordinary Shares and securities set forth on Schedule A (including any warrants, shares of capital stock or other securities of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of such Ordinary Shares), solely to the extent a Holder actually holds such Ordinary Shares at the relevant time; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (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 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; or (iv) such securities have been sold to, or through, a broker, dealer or Underwriter in a public distribution or other public securities transaction.

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

"***Registration Expenses***" shall mean the out-of-pocket expenses relating to 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 Ordinary Shares are then listed;

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters, if any, 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 a Demand Registration to be registered for offer and sale in the applicable Registration.

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

"***Requesting Holder***" shall have the meaning given in Section 2.1.1.

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

"***Share Acquisition***" shall have the meaning given in the Recitals hereto.

"***Shelf Offering***", "***Shelf Offering Request***" and "***Shelf Offering Notice***" shall have the meaning given in Section 2.3.1.

"***Shelf Registration***" and "***Shelf Registration Statement***" shall have the meaning given in Section 2.3.1.

"***Short Form Registration***" shall have the meaning given in Section 2.3.

"***Sponsor***" shall mean Broadstone Sponsor LLP, a United Kingdom limited liability partnership, with registered number OC431761 and whose registered office is at 2nd Floor, 7 Portman Mews South, London, United Kingdom W1H 6AY.

"***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 Registration***" or "***Underwritten Offering***" shall mean a Registration in which securities of the Company are sold to one or more Underwriters in a firm commitment underwriting for distribution to the public.

"***Virgin Atlantic Warrant Instrument***" means the warrant instrument by and between the Company and Virgin Atlantic Limited, dated October 29, 2021, pursuant to which, among other things, Virgin Atlantic Limited will receive warrants exercisable for Ordinary Shares.

ARTICLE 2.
REGISTRATIONS

2.1 Demand Registration.

2.1.1 Request for Registration. Subject to the provisions of Section 2.1.4 hereof, at any time and from time to time on or after the date hereof, Holders of Registrable Securities (the "***Demanding Holders***") may make a written demand for Registration of all or part of their Registrable Securities, which written demand shall describe the amount and type of securities to be included in such Registration and the intended method(s) of distribution thereof (such written demand a "***Demand Registration***"*).* The Company shall, within twenty (20) days of the Company's receipt of the Demand Registration, notify, in writing, all other Holders of Registrable Securities of such demand, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder's Registrable Securities in a Registration pursuant to a Demand Registration (each such Holder that includes all or a portion of such Holder's Registrable Securities in such Registration, a "***Requesting Holder***"*)* shall so notify the Company, in writing, within three (3) business days after the receipt by the Holder of the notice from the Company. Upon receipt by the Company of any such written notification from a Requesting Holder(s) to the Company, such Requesting Holder(s) shall be entitled to have their Registrable Securities included in a Registration pursuant to a Demand Registration and the Company shall effect, as soon thereafter as practicable, but not more than forty five (45) days immediately after the Company's receipt of the Demand Registration, the Registration of all Registrable Securities requested by the Demanding Holders and Requesting Holders pursuant to such Demand Registration. Under no circumstances shall the Company be obligated to effect more than one (1) Registration pursuant to a Demand Registration in any six (6) month period under this Section 2.1.1 with respect to any or all Registrable Securities; provided, however, that a Registration shall not be counted for such purposes unless a Form F-1 or any similar long-form registration statement that may be available at such time ("***Long Form Registration***"*)* has become effective and all of the Registrable Securities requested by the Requesting Holders to be registered on behalf of the Requesting Holders in such Long Form Registration have been sold, in accordance with Section 3.1 of this Agreement. Each Holder agrees that such Holder shall treat as confidential the receipt of the notice of Demand Registration and shall not disclose or use the information contained in such notice of Demand Registration without the prior written consent of the Company or until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement.

2.1.2 Effective Registration. Notwithstanding the provisions of Section 2.1.1 above or any other part of this Agreement, a Registration pursuant to a Demand Registration shall not count as a Registration unless and until (i) the Registration Statement filed with the Commission with respect to a Registration pursuant to a Demand Registration has been declared effective by the Commission and (ii) the Company has complied with all of its obligations under this Agreement with respect thereto; provided further that if, after such Registration Statement has been declared effective, an offering of Registrable Securities in a Registration pursuant to a Demand Registration is subsequently enjoined by any stop order or injunction of the Commission, federal or state court or any other governmental agency, the Registration Statement with respect to such Registration shall be deemed not to have been declared effective, unless and until (i) such stop order or injunction is removed, rescinded or otherwise terminated and (ii) a majority-in-interest of the Demanding Holders initiating such Demand Registration thereafter affirmatively elect to continue with such Registration and accordingly notify the Company in writing of such election not later than five (5) days following such removal, rescinding or termination; provided

further that the Company shall not be obligated or required to file another Registration Statement until the Registration Statement that has been previously filed with respect to a Registration pursuant to a Demand Registration becomes effective or is subsequently terminated.

2.1.3 Underwritten Offering. Subject to the provisions of Section 2.1.4 hereof, if a majority-in-interest of the Demanding Holders so advise the Company as part of their Demand Registration that the offering of the Registrable Securities pursuant to such Demand Registration shall be in the form of an Underwritten Offering, then the right of such Demanding Holder or Requesting Holder (if any) to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such Underwritten Offering and the inclusion of such Holder's Registrable Securities in such Underwritten Offering to the extent provided herein. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this Section 2.1.3 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the majority-in-interest of the Demanding Holders initiating the Demand Registration.

2.1.4 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Registration pursuant to a Demand Registration, in good faith, advise 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 Ordinary Shares or other equity securities that the Company desires to sell and the Ordinary Shares, if any, as to which a Registration has been requested pursuant to separate written contractual piggyback registration rights held by any other shareholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "***Maximum Number of Securities***"*),* then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders and the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Demanding Holder and Requesting Holder (if any) has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Demanding Holders and Requesting Holders have requested be included in such Underwritten Registration) 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 Ordinary Shares or other equity securities that the Company desires to sell, which can be sold 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 Ordinary Shares or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.5 Demand Registration Withdrawal. A majority-in-interest of the Demanding Holders initiating a Demand Registration or a majority-in-interest of the Requesting Holders (if any), pursuant to a Registration under Section 2.1.1 shall have the right to withdraw from a Registration pursuant to such Demand Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Registration at least three (3) 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 Demand Registration (or in the case of an Underwritten Registration pursuant to Rule 415 under the Securities Act, at least five (5) business days prior to the time of pricing of the applicable offering).

2.2 Piggyback Registration.

2.2.1 Piggyback Rights. If, at any time on or after the date hereof, the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of persons other than the Holders of Registrable Securities, other than a Registration Statement (i) filed in connection with any employee share option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing shareholders, (iii) for an offering of debt that is convertible into equity securities of the Company, (iv) for a registered offering not involving a "road show" or other substantial marketing efforts or a widespread distribution of securities, such as a "registered direct" offering (whether or not underwritten), (v) for an "at the market" or similar registered offering through a broker, sales agent or distribution agent, whether as agent or principal, or (vi) 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 reasonably practicable but not less than five (5) 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 three (3) business 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, if applicable, shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Holders pursuant to this Section 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 Section 2.2.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company. The Company shall have the right to terminate or withdraw any Registration Statement initiated by it under this Section 2.2.1 before the effective date of such Registration, whether or not any Holder has elected to include Registrable Securities in such Registration.

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, advise the Company and the Holders of Registrable Securities participating in the Piggyback Registration in writing that the dollar amount or number of the Ordinary Shares that the Company desires to sell, taken together with (i) the Ordinary Shares, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.2 hereof, and (iii) the Ordinary Shares, if any, as to which Registration has been requested pursuant to separate written contractual piggyback registration rights of other shareholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in any such Registration: (A) first, the Ordinary Shares or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (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 Section 2.2.1 hereof, pro rata based on the respective number of Registrable Securities that each Holder has so requested exercising its rights to register its Registrable Securities pursuant to Section 2.2.1 hereof, 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 Ordinary Shares, if any, as to which Registration has been requested pursuant to written contractual piggyback registration rights of other shareholders 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 Ordinary Shares 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 Section 2.2.1, pro rata based on the respective number of Registrable Securities that each Holder has so requested exercising its rights to register its Registrable Securities pursuant to Section 2.2.1 hereof, 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 Ordinary Shares or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the Ordinary Shares or other equity securities for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with such persons or entities, which can be sold without exceeding the Maximum Number of Securities.

2.2.3 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 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 under the Securities Act, 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 Section 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 a Demand Registration effected under Section 2.1 hereof.

2.3 Short Form Registrations. Subject to the provisions of Section 2.1.4 hereof, the Holders of Registrable Securities may, on no more than one (1) occasion in any six (6) month period, request in writing that the Company, pursuant to Rule 415 under the Securities Act (or any successor rule promulgated thereafter by the Commission), register the resale of any or all of their Registrable Securities on Form F-3 or similar short form registration statement that may be available at such time ("***Short Form Registration***"); provided, however, that the Company shall not be obligated to effect such request through an Underwritten Offering. The Holders making a Demand Registration may request that the registration be made pursuant to Rule 415 under the Securities Act (a "***Shelf Registration***") and, if the Company is a "well known seasoned issuer" as defined under Rule 405 at the time any request for a Demand Registration is submitted to the Company, that such Shelf Registration be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "***Automatic Shelf Registration Statement***"). Within five (5) days of the Company's receipt of a written request from a Holder or Holders

of Registrable Securities for a Short Form Registration, the Company shall, as promptly as is reasonably practicable, give written notice of the proposed Short Form Registration to all other Holders of Registrable Securities, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder's Registrable Securities in such Short Form Registration shall so notify the Company, in writing, within three (3) business days after the receipt by the Holder of the notice from the Company. As soon as reasonably practicable thereafter, but not more than fifteen (15) days after the Company's initial receipt of such written request for a Short Form Registration, the Company shall register all or such portion of such Holder's Registrable Securities as are specified in such written request, together with all or such portion of Registrable Securities of any other Holder or Holders joining in such request as are specified in the written notification given by such Holder or Holders; provided, however, that the Company shall not be obligated to effect any such Registration pursuant to this Section 2.3 if: (i) Short Form Registration is not available for such offering; or (ii) the Holders of Registrable Securities, together with the Holders of any other equity securities of the Company entitled to inclusion in such Registration, propose to sell the Registrable Securities and such other equity securities (if any) at any aggregate price to the public of less than $10,000,000.

2.3.1 Shelf Registrations.

(a) Subject to the availability of financial information required by applicable securities laws, as promptly as practicable after the Company receives written notice of a request for a Shelf Registration, but in any event within sixty (60) days of the mailing of the Company's notice pursuant to Section 2.3 (provided that all necessary documents for such registration can be obtained and prepared within such 60-day period), the Company shall file with the Commission a registration statement under the Securities Act for the Shelf Registration (a "***Shelf Registration Statement***"). The Company shall use its reasonable best efforts to cause any Shelf Registration Statement to be declared effective under the Securities Act as soon as practicable after the initial filing of such Shelf Registration Statement, and once effective, the Company shall cause such Shelf Registration Statement to remain continuously effective for such time period as is specified in the request by the Holders, but for no time period longer than the period ending on the earliest of (A) the third anniversary of the initial effective date of such Shelf Registration Statement, (B) the date on which all Registrable Securities covered by such Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, and (C) the date as of which there are no longer any Registrable Securities covered by such Shelf Registration Statement in existence. Without limiting the generality of the foregoing, the Company shall use its reasonable best efforts to prepare a Shelf Registration Statement with respect to all of the Registrable Securities owned by or issuable to the Holders requesting such Shelf Registration to enable and cause such Shelf Registration Statement to be filed and maintained with the Commission as soon as practicable after the Company is eligible to file a Shelf Registration Statement for a Short Form Registration. In order for any Holder to be named as a selling securityholder in such Shelf Registration Statement, the Company may require such Holder to deliver all information about such Holder that is required to be included in such Shelf Registration Statement in accordance with applicable law, including Item 507 of Regulation S-K promulgated under the Securities Act.

(b) In the event that a Shelf Registration Statement is effective, Holders of Registrable Securities shall have the right at any time or from time to time to elect to sell pursuant to an offering (including an underwritten offering (an "***Underwritten Takedown***")) Registrable Securities available for sale pursuant to such registration statement ("***Shelf Registrable Securities***"), so long as the Shelf Registration Statement remains in effect. The applicable Holders shall make such election by delivering to the Company a written request (a "***Shelf Offering Request***") for such offering specifying the number of Shelf Registrable Securities that such Holders desire to sell pursuant to such offering (the "***Shelf Offering***"). In the case of an Underwritten Takedown, as promptly as practicable, but no later than two (2) Business Days after receipt of a Shelf Offering Request, the Company shall give written notice

(the "***Shelf Offering Notice***") of such Shelf Offering Request to all other Holders of Shelf Registrable Securities. The Company shall include in such Shelf Offering the Shelf Registrable Securities of any other Holder that shall have made a written request to the Company for inclusion in such Shelf Offering (which request shall specify the maximum number of Shelf Registrable Securities intended to be sold by such Holder) within five (5) Business Days after the receipt of the Shelf Offering Notice. The Company shall, as expeditiously as possible (and in any event within ten (10) Business Days after the receipt of a Shelf Offering Request, unless a longer period is agreed to by the Holders of the Registrable Securities that made the Shelf Offering Request), use its reasonable best efforts to facilitate such Shelf Offering.

(c) Notwithstanding the foregoing, if any Holder desires to effect a sale of Shelf Registrable Securities that does not constitute an Underwritten Takedown, the Holder shall deliver to the Company a Shelf Offering Request no later than two (2) Business Days prior to the expected date of the sale of such Shelf Registrable Securities, and subject to the limitations set forth in Section 2.3.1(a), the Company shall file and effect an amendment or supplement to its Shelf Registration Statement for such purpose as soon as reasonably practicable.

(d) The Company shall, at the request of Holders of the Registrable Securities covered by a Shelf Registration Statement, file any prospectus supplement or, if the applicable Shelf Registration Statement is an Automatic Shelf Registration Statement, any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by such Holders to effect such Shelf Offering.

2.3.2 Priority on Shelf Offerings. Subject to the provisions of Section 2.1.4 hereof, if the number of Registrable Securities which can be included on a Shelf Registration Statement is otherwise limited by Instruction I.B.5 to Form F-3 (or any successor provision thereto), the Company shall include in such registration or offering prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which can be included on such Shelf Registration Statement in accordance with the requirements of Form F-3, pro rata among the respective Holders thereof on the basis of the amount of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein.

2.4 Restrictions on Registration Rights. If: (A) 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 a Demand Registration pursuant to Section 2.1.1 and it continues to actively employ, in good faith, all reasonable efforts to cause the applicable Registration Statement to become effective; (B) the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (C) in the good faith judgment of the Board such Demand Registration would be seriously 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, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board or another authorized representative of the Board stating that in the good faith judgment of the Board it would be seriously 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. In such event, the Company shall have the right to defer such filing for a period of not more than forty-five (45) days; provided, however, that the Company shall not defer its obligation in this manner more than once in any 12-month period.

ARTICLE 3.
COMPANY PROCEDURES

3.1 General Procedures. If at any time on or after the date hereof the Company is required to effect the Registration of Registrable Securities, the Company shall use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall, as expeditiously as reasonably possible:

3.1.1 prepare and file with the Commission as soon as reasonably practicable a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective for a period of up to one hundred eighty (180) days or, if earlier, 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 the majority-in-interest of the Holders with Registrable Securities registered on such Registration Statement 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 Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriters, if any, and the Holders of Registrable Securities included in such Registration, and such Holders' 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 the Holders of Registrable Securities included in such Registration or the legal counsel for any such Holders may 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 commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request (or provide evidence satisfactory to such Holders that the Registrable Securities are exempt from such registration or qualification) and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations 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 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 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 commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 at least five (5) days prior to the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus (other than by way of a document incorporated by reference into such Registration Statement or Prospectus) furnish a copy thereof to each seller of such Registrable Securities or its counsel;

3.1.9 notify the Holders at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.4 hereof;

3.1.10 permit a representative of the Holders (such representative to be selected by a majority-in-interest of the participating Holders), the Underwriters, if any, and any attorney or accountant retained by such Holders or Underwriters 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 such representatives or Underwriters enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information;

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

3.1.12 on the date the Registrable Securities are delivered for sale pursuant to such Registration, in the event of an Underwritten Registration, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the Underwriters, the placement agent or sales agent, if any, and the Underwriters, 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 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;

3.1.13 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(s) of such offering;

3.1.14 make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule promulgated thereafter by the Commission);

3.1.15 if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of $50,000,000, use its reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter(s) in any Underwritten Offering; and

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

3.2 Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company; provided, however, that the Company shall not be required to pay for more than one (1) registration proceeding with respect to a registration request begun pursuant to Section 2.1 by the Demanding Holders, if such registration request is subsequently withdrawn at the request of the Demanding Holders. Any Registration Expenses of Registrations not borne by the Company pursuant to the immediately preceding sentence shall be borne by the Demanding Holders pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration. It is acknowledged by the Holders that the Holders shall bear all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriter marketing costs and, other than as set forth in the definition of "Registration Expenses," all reasonable fees and expenses of any legal counsel representing the Holders.

3.3 Requirements for Participation in Underwritten Offerings. No person may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.4 Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or Prospectus contains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until he, she or it has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as reasonably practicable after the time of such notice), or until he, she or 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, 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 and to promptly furnish the Holders with true and complete copies of all such filings. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent

required from time to time to enable such Holder to sell Ordinary Shares held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to the Company), including providing any customary legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE 4.
INDEMNIFICATION AND CONTRIBUTION

4.1 Indemnification.

4.1.1 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, the Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers and directors and each person who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, 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. Notwithstanding the foregoing, the indemnity agreement contained in this Section 4.1.1 shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned, or delayed.

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) and any other Holder of Registrable Securities participating in the Registration, against any losses, claims, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained in the 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, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which he, she or 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) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

4.1.5 If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by (or not supplied by, in the case of an omission), such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this Section 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 except in the case of fraud or willful misconduct by such Holder. 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 Sections 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 Section 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 Section 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 Section 4.1.5 from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE 5.
MISCELLANEOUS

5.1 Notices. All notices, demands, requests, consents, approvals or waivers and other communications required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery (i) in person, (ii) by e-mail (having obtained electronic delivery confirmation thereof), (iii) by reputable, nationally recognized overnight courier service, or (iv) by registered or certified mail, pre-paid and return receipt requested, provided, however, that notice given pursuant to clauses (iii) and (iv) above shall not be effective unless a duplicate copy of such notice is also given in person or by e-mail (having obtained electronic delivery confirmation thereof); in each case to the applicable party at the following addresses (or at such other address for a party as shall be specified by like notice):

To the Company:

Vertical Aerospace Ltd.
140-142 Kensington Church Street, London W8 4BN, United Kingdom
vinny.casey@vertical-aerospace.com

To Broadstone:

Broadstone Acquisition Corp.
7 Portman Mew South, Marylebone, London W1H 6AY, United Kingdom
Attn: Edward Hawkes and Marc Jonas
Email: edward.hawkes@suncap.co.uk and marc@suncap.co.uk

To a Holder: to the address set forth beside such Holder's name on Schedule A hereto.

5.2 Assignment; No Third Party Beneficiaries.

5.2.1 This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part.

5.2.2 Prior to the expiration of the lock-up period in the applicable Lock-Up Agreement, no Holder may assign or delegate such Holder's rights, duties or obligations under this Agreement, 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 assumes such Holder's rights and obligations under this Agreement upon its, his or her execution and delivery of a joinder agreement, in form and substance reasonably acceptable to the Company agreeing to be bound by the terms and conditions of this Agreement as if such person were a Holder party hereto; whereupon such person will be treated for all purposes of this Agreement, with the same rights, benefits and obligations hereunder as such Holder with respect to the transferred Registrable Securities.

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 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.4 Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

5.5 Entire Agreement. This Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written. Without limiting the generality of the foregoing, Broadstone and Sponsor hereby agree that the Prior Agreement is hereby terminated and of no further force or effect.

5.6 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement, for and on behalf of itself or any of its properties or assets, in accordance with this Section 5.6 or in such other manner as may be permitted by applicable law, that such process may be served in the manner of giving notices in Section 5.1 and that nothing in this Section 5.6 shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

5.7 **WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR OTHER PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACTIONS OF THE HOLDERS IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

5.8 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 one Holder, solely in his, her or its capacity as a holder of the shares of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected provided further that no consent of any Holder of Piggyback Registration Rights shall be required with respect to any such waiver, amendment or modification, except with respect to any waiver, amendment or modification that adversely affects such Holder of Piggyback Registration Rights, solely in its capacity as a holder of Registrable Securities, in a manner that is materially different from the other Holders (in such capacity). 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 5.8 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.

5.9 Titles and Headings. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

5.10 Waivers and Extensions. Any party to this Agreement may waive any right, breach or default which such party has the right to waive, provided that such waiver will not be effective against the waiving party unless it is in writing, is signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

5.11 Remedies Cumulative. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.12 Other Registration Rights. The Company represents and warrants that no person, other than a holder of (i) Registrable Securities, (ii) securities of the Company that are registrable pursuant to the PIPE Subscription Agreements, (iii) securities of the Company that are registrable pursuant to the Avolon Warrant Instrument, (iv) securities of the Company that are registrable pursuant to the American Warrant Instrument, (v) of securities of the Company that are registrable pursuant to the Virgin Atlantic Warrant

Instrument, (vi) AA Securities, (vii) securities of the Company that are registrable pursuant to LNH SPA and (viii) securities of the Company that are registrable pursuant to the Convertible Notes Subscription 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 PIPE Subscription Agreements, the Avolon Warrant Instrument, the American Warrant Instrument, the Virgin Atlantic Warrant Instrument, the AA SPA, the LNH SPA and the Convertible Notes Subscription Agreement, this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail. 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 PIPE Subscription Agreements, the Avolon Warrant Instrument, the American Warrant Instrument, the Virgin Atlantic Warrant Instrument, the Convertible Notes Subscription Agreement, the AA SPA and the LNH SPA, and that nothing herein shall restrict the ability of the Company to fulfil its resale registration obligations under such agreements.

5.13 Term. This Agreement shall terminate upon the earlier of (i) the tenth anniversary of the date of this Agreement and (ii) the date as of which no Registrable Securities remain outstanding. The provisions of Section 3.5 and Article 4 shall survive any termination.

[SIGNATURE PAGES FOLLOW]

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

COMPANY:

VERTICAL AEROSPACE LTD.

By:/s/ Vincent Casey
Name: Vincent Casey
Title: Director

BROADSTONE:

BROADSTONE ACQUISITION CORP.

By:/s/ Edward Hawkes
Name: Edward Hawkes
Title: Chief Financial Officer

[Signature Page to Registration Rights Agreement]

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

HOLDERS:

BROADSTONE SPONSOR LLP

By:/s/ James Mount
Name: James Mount
Title: Designated Member

[Signature Page to Registration Rights Agreement]

AMERICAN AIRLINES, INC.

By:/s/ Derek Kerr
Name: Derek Kerr
Title: Chief Financial Officer

[Signature Page to Registration Rights Agreement]

CHATSWORTH AVIATION LIMITED

By:/s/ Ed Riley
Name: Ed Riley
Title: Attorney-in-fact

[Signature Page to Registration Rights Agreement]

MAPLES TRUSTEE SERVICES (CAYMAN) LIMITED, solely in its capacity as trustee under the Trust Deed dated 1 June 2021

By:/s/ Maples Trustee Services (Cayman) Limited
Name: Peter Goddard
Title: Authorised Signatory

[Signature Page to Registration Rights Agreement]

STEPHEN FITZPATRICK

/s/ Stephen Fitzpatrick

[Signature Page to Registration Rights Agreement]

MARK YEMM

/s/ Mark Yemm

[Signature Page to Registration Rights Agreement]

SAMUEL SUGDEN

/s/ Samuel Sugden

[Signature Page to Registration Rights Agreement]

SCHEDULE A

Holder	Address	Number of Ordinary Shares
Broadstone Sponsor LLP, a United Kingdom limited liability partnership, with registered number OC431761 and whose registered office is at 2nd Floor 7 Portman Mews South, London, United Kingdom, W1H 6AY	7 Portman Mews South, London, United Kingdom W1H 6AY.	7,632,575 Ordinary Shares
Stephen Fitzpatrick	78 Lansdowne Road London W11 2LS United Kingdom	150,052,510 Ordinary Shares
Samuel Sugden	81c Railton Road London SE24 0LR United Kingdom	143,696 Ordinary Shares
Mark Yemm	108 Humphries Road Mount Eliza Victoria 3930 Australia	5,740,525 Ordinary Shares
American Airlines, Inc.	1 Skyview Drive Fort Worth, Texas 76155 United States	11,375,000 ordinary shares represented by warrants to be issued in accordance with the American Warrant Instrument
Chatsworth Aviation Limited, a company incorporated under the laws of Ireland with registered number 543646	Number One Ballsbridge, Building 1, Shelbourne Rd, Ballsbridge, Dublin 4	5,563,600 ordinary shares represented by warrants to be issued in accordance with the Avolon Warrant Instrument
Maples Trustee Services (Cayman) Limited, a Cayman Islands company with registered number 239659, solely in its capacity as trustee under the Trust Deed dated 1 June 2021	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	8,345,000 ordinary shares represented by warrants to be issued in accordance with the Avolon Warrant Instrument

Exhibit 4.4

Execution Version

VOTING AND SUPPORT AGREEMENT

This Voting and Support Agreement (this "***Agreement***"), dated as of June 10, 2021, is entered into as a deed by and among the following (each a "***Party***" and collectively the "***Parties***"): (i) Broadstone Acquisition Corp., a Cayman Islands exempted company ("***Broadstone***"), (ii) Vertical Aerospace Ltd., a Cayman Islands exempted company incorporated with limited liability ("***Pubco***"), (iii) Vertical Aerospace Group Ltd., a company limited by shares incorporated in England and Wales under registration number 12590994 (the "***Company***"); and (iv) the parties whose names and addresses are listed on Schedule A hereto (each a "***Shareholder***" and collectively the "***Shareholders***"). Certain capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Business Combination Agreement (as defined below).

RECITALS

WHEREAS, concurrently with the execution of this Agreement, Broadstone, Pubco, the Broadstone Sponsor LLP (the "***Sponsor***"), the Company, Vertical Merger Sub Ltd., a Cayman Islands exempted company incorporated with limited liability ("***Merger Sub***"), the Shareholders and certain other parties thereto are entering into that certain Business Combination Agreement dated as of the date hereof (as it may be amended, restated or otherwise modified from time to time in accordance with its terms, the "***Business Combination Agreement***"), pursuant to which, among other things, Broadstone will merge with and into Merger Sub (the "***Merger***") and Pubco will acquire all of the issued and outstanding shares of the Company (the "***Share Acquisition***");

WHEREAS, as of the date hereof, each of the Shareholders is identified on the Register of the Company's Shareholders as the owner of the shares of the capital stock of the Company set forth on Schedule A hereto (collectively, with respect to each Shareholder, such Shareholder's "***Owned Shares***"; the Owned Shares and any additional shares of the capital stock of the Company (or any securities convertible into or exercisable or exchangeable for shares of the Company's capital stock) of which such Shareholder acquires record or beneficial ownership after the date hereof, including by purchase, as a result of a stock dividend, stock split, recapitalisation, combination, reclassification, exchange or change of such shares, or upon exercise or conversion of any securities, such Shareholder's "***Covered Shares***");

WHEREAS, as of the date hereof, Stephen Fitzpatrick is identified on the Register of Pubco's shareholders as the sole owner of the shares of the capital stock of Pubco ("***Pubco Owned Shares***"; the Pubco Owned Shares and any additional shares of the capital stock of Pubco (or any securities convertible into or exercisable or exchangeable for shares of Pubco's capital stock) of which he acquires record or beneficial ownership after the date hereof, including by purchase, as a result of a stock dividend, stock split, recapitalisation, combination, reclassification, exchange or change of such shares, or upon exercise or conversion of any securities, his "***Pubco Covered Shares***");

WHEREAS, on the date hereof each of Microsoft Corporation and Rocket Internet SE (together, the "***Noteholders***") have granted a power of attorney to the Company with full power and authority to, among other things, take all steps necessary on behalf of each of the Noteholders to give effect to the transactions contemplated by the Business Combination Agreement (the "***Noteholder POA***");

WHEREAS, on the date hereof American Airlines, Inc. ("***AA***") has granted a power of attorney to the Company with full power and authority to, among other things, take all steps necessary on behalf of each of AA to give effect to the transactions contemplated by the Business Combination Agreement (the "***AA POA***"); and

WHEREAS, as a condition and inducement to the willingness of Broadstone to enter into the Business Combination Agreement, the Shareholders hereby enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, hereby agree as follows:

1. Company Shareholder Approvals.

(a) As promptly as reasonably practicable (and in any event within five (5) Business Days) following the time at which the Registration Statement / Proxy Statement becomes effective under the Securities Act, each Shareholder shall duly execute and deliver to the Company the Company Shareholder Approvals, under which it shall irrevocably and unconditionally consent to the matters, actions and proposals contemplated by Section 8.14(g) of the Business Combination Agreement (the "***Approval***"), including (i) the Share Acquisition and any other transactions contemplated by the Business Combination Agreement to occur at or immediately prior to the Share Acquisition Closing; (ii) waiving, consenting to, invoking or approving any rights the Shareholder may have under the Company's Organisational Documents necessary or desirable in furtherance of the transactions contemplated by the Business Combination Agreement or the Ancillary Documents; (iii) to the fullest extent permitted under applicable Law, waiving any dissenters rights, appraisal rights or any other similar rights, whether such rights are afforded by law or contract, with respect to the Owned Shares and the transactions contemplated by the Business Combination Agreement; and (iv) taking all such actions as may be required in connection with the treatment and exercise of the Company Options in accordance with the Business Combination Agreement (all of the foregoing, collectively, the "***Transactions***"), including with respect to any matter in furtherance of the Transactions for which a vote or approval of the shareholders of the Company is required.

(b) Without limiting the generality of the foregoing, prior to the Share Acquisition Closing, each Shareholder shall vote (or cause to be voted) its respective Covered Shares against and withhold consent with respect to (x) any Alternative Transaction or Public Listing Transaction or (y) any other matter, action or proposal that would reasonably be expected to result in (A) a breach of any of the Company's covenants, agreements or obligations under the Business Combination Agreement or (B) any of the conditions to closing set forth in Sections 10.1 or 10.2 of the Business Combination Agreement not being satisfied; provided, that in the case of either (A) or (B), the Business Combination Agreement shall not have been amended or modified without each Shareholder's consent (1) to decrease the consideration payable under the Business Combination Agreement, or (2) to change the form of merger consideration in a manner adverse to the Shareholders.

(c) Each Shareholder, in his, her or its capacity as a shareholder of the Company, irrevocably and unconditionally agrees that within one (1) Business Day following the Merger Closing Date and upon written notice thereof from the Company or Broadstone, it shall duly execute and deliver to Pubco properly completed and duly executed stock transfer form(s), in each case with respect to that Shareholder's Covered Shares, or indemnities in respect thereof (the "***STFs***"), together with any and all Ancillary Documents required to be executed and delivered by such Shareholder as such are provided for in the Business Combination Agreement, and any other agreement, instrument or document required by the Company or Broadstone to validate, give effect to or otherwise implement the Business Combination Agreement and the Transactions (together the "***Share Acquisition Documents***").

(d) Each Shareholder hereby agrees, consents to and approves, for the purposes of article 5.2 of the Company's Articles of Association and otherwise: (i) the transactions contemplated by the Business Combination Agreement and the Ancillary Documents; and (ii) the entry into by any Shareholder of the Business Combination Agreement and the Share Acquisition Documents.

(e) Without limiting the generality of the foregoing, prior to the Termination Date and to the extent it is within his power to do so in his capacity as a Shareholder, each Shareholder shall take, or cause to be taken, all other actions and to do, or cause to be done, all other things reasonably necessary under applicable Laws to consummate the Transactions contemplated by the Business Combination Agreement and on the terms set forth therein.

(f) For the purposes of this Agreement: (i) an "***Alternative Transaction***" means an initial public offering, recapitalisation or refinancing of the Company or any direct or indirect parent or subsidiary of the Company, any purchase of a majority of the outstanding Company Shares or any merger, sale of a majority of the assets of the Company or any direct or indirect parent or subsidiary of the Company or similar transactions involving the Company or any direct or indirect parent or subsidiary of the Company or their respective securities; and (ii) a "***Public Listing Transaction***" means, directly or indirectly, any (a) initial or other public offering (including any direct listing or similar transaction) of any equity securities of the Company or any direct or indirect parent or subsidiary of the Company, (b) business combination transaction with a special purpose acquisition company or other publicly traded company where the Company's shareholders directly or indirectly receive publicly traded equity securities as consideration (or securities convertible into publicly traded equity securities, such as in an "Up-C" transaction), or (c) other similar transaction or series of related transactions which results in the equity securities of the Company, any direct or indirect parent or subsidiary of the Company, or any of their resulting or successor entities or the equity securities received or to be received (or equity securities into which such equity securities are convertible into or exchangeable for) being publicly listed on any securities exchange or over-the-counter market operating in any country or region in the world. For the avoidance of doubt, neither shall Alternative Transaction nor Public Listing Transaction include the transactions contemplated by the Business Combination Agreement.

(g) The obligations of the Shareholders specified in Section 1 shall apply whether or not approval of the Merger, the Share Acquisition or any action described above is recommended by the board of directors of the Company (the "***Company Board***") or the Company Board has previously recommended approval of the Merger or the Share Acquisition but changed such recommendation.

2. Irrevocable Power of Attorney.

(a) Without limiting any other rights or remedies of Broadstone or the Company (or any of their respective successors, including Pubco), in the event that a Shareholder fails to execute and deliver any of the Share Acquisition Documents within the time required by Section 1 hereof (such failure, a "***POA Event***"), then, solely in such circumstances and solely to the extent set forth herein, such Shareholder hereby irrevocably constitutes, appoints and grants to Broadstone and the Company (or any of their respective successors, including Pubco) or any individual designated by Broadstone or the Company (or any of their respective successors, including Pubco) as its true and lawful representative, agent, attorney and proxy, in its name, place and stead (the "***Appointment***"), to execute and deliver on its behalf all Share Acquisition Documents, to attend on its behalf any meeting of the Company Shareholders with respect to the matters described in Section 1, to include the Owned Shares in any computation for purposes of establishing a quorum at any such meeting of the Company Shareholders, to vote (or cause to be voted) the Owned Shares or consent (or withhold consent) with respect to any of the matters described in Section 1 in connection with any meeting of the Company Shareholders or any action by written consent by the Company Shareholders (including the Company Shareholder Approvals). Each Shareholder hereby revokes any appointment previously granted by such Shareholder with respect to the Covered Shares, if any. Notwithstanding anything contained herein to the contrary, this Appointment shall automatically terminate upon the Termination Date.

(b) The Appointment granted by each Shareholder pursuant to Section 2(a) is granted in consideration for the Company and Broadstone entering into the Business Combination Agreement and agreeing to consummate the transactions contemplated thereby. The Appointment granted by each Shareholder pursuant to Section 2(a) is unconditional and irrevocable and shall survive the bankruptcy, dissolution, death, incapacity or other inability to act by such Shareholder. The Appointment granted by each Shareholder pursuant to Section 2(a) may only be exercised with respect to the matters described in Section 1(a). Upon the occurrence of a POA Event, each Shareholder hereby approves, authorizes and ratifies everything which any member of the board of directors of Broadstone or the Company (or any of their respective successors, including Pubco) shall lawfully due pursuant to this Section 1 to the extent consistent with the terms and conditions of this Agreement, the Business Combination Agreement and the Share Acquisition Documents.

3. Pubco Shareholder Approvals. Stephen Fitzpatrick, in his capacity as sole shareholder of Pubco (the "***Pubco Shareholder***"), irrevocably and unconditionally agrees, and agrees to cause any other holder of record of any of the Pubco Covered Shares, to the extent that it is necessary or advisable, in each case, as reasonably determined by Broadstone and the Company, for any matters, actions or proposals to be approved by the Pubco Shareholder in connection with, or otherwise in furtherance of, the transactions contemplated by the Business Combination Agreement and/or the Ancillary Documents, at any meeting of the shareholders of Pubco (whether annual, extraordinary or otherwise and whether or not adjourned or postponed), however called, on any written resolution, and in any action by written consent or resolution, in each case, of the shareholders of Pubco (collectively, "such meeting" or "such written consent"), the Pubco Shareholder shall, solely in its capacity as a shareholder of Pubco, as applicable, do the following:

(a) if such meeting is held, appear at such meeting (in person or by proxy) or otherwise cause the Pubco Covered Shares to be counted as present thereat for the purpose of establishing a quorum;

(b) vote (or execute and return an action by written consent), or cause to be voted at such meeting (or validly execute and return and cause such consent to be granted with respect to), all of the Pubco Covered Shares owned as of the record date for such meeting (or the date that any written consent is executed by the Pubco Shareholder) in favor of the adoption of the Business Combination Agreement, the Merger, the Share Acquisition and any other matters reasonably necessary or reasonably requested by Broadstone or the Company for consummation of the Merger, the Share Acquisition and the other transactions contemplated by the Business Combination Agreement, including (i) taking all such actions as are required in Pubco's Organizational Documents in connection and in furtherance of the transactions contemplated by the Business Combination Agreement; (ii) approving any internal reorganization or recapitalizations of Pubco and its subsidiaries prior to the Closing which are necessary or desirable in furtherance of the transactions contemplated by the Business Combination Agreement or the Ancillary Documents, (iii) waiving, consenting to, invoking or approving any rights the Pubco Shareholder may have under Pubco's Organizational Documents necessary or desirable in furtherance of the transactions contemplated by the Business Combination Agreement or the Ancillary Documents, (iv) to the fullest extent permitted under applicable Law, waiving any dissenters rights, appraisal rights or any other similar rights, whether such rights are afforded by law or contract, with respect to the Pubco Owned Shares and the transactions contemplated by the Business Combination Agreement, (all of the foregoing, collectively, the "***Pubco Transactions***"), including with respect to any matter in furtherance of the Pubco Transactions for which a vote or approval of the shareholders of Pubco is required.

4. Pubco Irrevocable Proxy and Power of Attorney.

(a) The Pubco Shareholder does hereby appoint Broadstone with full power of substitution and resubstitution, as his true and lawful attorney and irrevocable proxy, to the fullest extent of his rights with respect to the Pubco Covered Shares, if the Pubco Shareholder fails for any reason to perform his obligations under this Agreement, to vote the Pubco Covered Shares solely with respect to the matters set forth in Section 4 hereof. The Pubco Shareholder intends this proxy to be irrevocable and coupled with an interest hereunder until the Termination Date (as defined below) and hereby revokes any proxy previously granted by him with respect to the Pubco Covered Shares, if any. Notwithstanding anything contained herein to the contrary, this irrevocable proxy shall automatically terminate upon the Termination Date. The Pubco Shareholder hereby revokes any proxies previously granted and represents that none of such previously-granted proxies are irrevocable.

(b) Pubco and Merger Sub each hereby irrevocably constitutes, appoints and grants to any member of the board of directors of Broadstone or any individual designated by Broadstone as its true and lawful representative, agent, attorney and proxy, in its name, place and stead to execute and deliver on its behalf all agreements, instruments, documents, approvals, waivers and consents reasonably required by Broadstone to validate, give effect to or otherwise implement the Business Combination Agreement and any Ancillary Documents on their behalf, and do all other actions as may be reasonably required of Pubco or Merger Sub by Broadstone to implement the transactions contemplated by the Business Combination Agreement and any Ancillary Documents. Notwithstanding anything contained herein to the contrary, such appointment shall automatically terminate upon the Termination Date. Such appointment granted by Pubco and Merger Sub is unconditional and irrevocable and each of Pubco Shareholder, Pubco and Merger Sub hereby approves, authorizes and ratifies everything which any member of the board of directors of Broadstone (or any designated individual) shall lawfully due pursuant to this appointment to the extent consistent with the terms and conditions of this Agreement and the Business Combination Agreement.

5. Other Covenants

(a) To the extent it is within his power to do so in his capacity as Pubco Shareholder, the Pubco Shareholder shall take, or cause to be taken, all other actions and to do, or cause to be done, all other things reasonably necessary under applicable Laws to consummate the Pubco Transactions.

(b) To the extent it is within his power to do so in his capacity as Pubco Shareholder (or director of Pubco or Merger Sub), the Pubco Shareholder shall procure that Pubco and Merger Sub take, or cause to be taken, all actions and to do, or cause to be done, all other things reasonably necessary under applicable Laws to consummate, on behalf of Pubco and or Merger Sub, the Business Combination Agreement, the Ancillary documents and any other agreement, instrument or document reasonably required of Pubco or Merger Sub to validate, give effect to or otherwise implement the Business Combination Agreement.

(c) To the extent it is within his power to do so in his capacity as Pubco Shareholder (or director of Pubco or Merger Sub), the Pubco Shareholder shall not, and shall procure that Pubco and Merger Sub do not, take any action or fail to take any action that would reasonably be expected to result in (A) a breach of any of Pubco or Merger Sub's warranties covenants, agreements or obligations under the Business Combination Agreement or (B) any of the conditions to closing set forth in Sections 10.1 or 10.2 of the Business Combination Agreement not being satisfied.

(d) Except as expressly contemplated by the Business Combination Agreement or with the prior written consent of Broadstone (such consent to be given or withheld in its sole discretion), from and after the date hereof until the Termination Date, each Shareholder (including the Pubco Shareholder in respect of Pubco Covered Shares) hereby agrees that it shall not (i) Transfer any of its Covered Shares (or Pubco Covered Shares), (ii) enter into (A) any option, warrant, purchase right, or other Contract that could (either alone or in connection with one or more events, developments or events (including the satisfaction or waiver of any conditions precedent)) require the Shareholder to Transfer its Covered Shares (or require the Pubco Shareholder to Transfer his Pubco Covered Shares) or (B) any voting trust, proxy or other Contract with respect to the voting or Transfer of the Covered Shares (or Pubco Covered Shares), or (iii) enter into any Contract to take, or cause to be taken, any of the actions set forth in clauses (i) or (ii); provided, however that the foregoing shall not apply to any Transfer to (1) any Affiliates of such Shareholder; (2) by gift to a member of one of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an Affiliate of such individual or to a charitable organization; (3) by virtue of laws of descent and distribution upon death of the individual; or (4) pursuant to a qualified domestic relations order; provided, that such Shareholder shall, and shall cause any transferee of its Covered Shares of the type set forth in clauses (1) through (4), to enter into a written agreement in form and substance reasonably satisfactory to Broadstone, agreeing to be bound by this Agreement prior to the occurrence of such Transfer. For purposes of this Agreement, "***Transfer***" means any, direct or indirect, sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or encumbrance in or disposition of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law or otherwise).

6. No Inconsistent Agreements. Each Shareholder hereby covenants and agrees that such Shareholder shall not, at any time prior to the Termination Date, (i) enter into any voting agreement or voting trust with respect to any of such Shareholder's Covered Shares that is inconsistent with such Shareholder's obligations pursuant to this Agreement, (ii) grant a proxy or power of attorney with respect to any of such Shareholder's Covered Shares that is inconsistent with such Shareholder's obligations pursuant to this Agreement, or (iii) enter into any agreement or undertaking that is otherwise inconsistent with, or would interfere with, or prohibit or prevent such Shareholder from satisfying, its obligations pursuant to this Agreement. The provisions of this Section 6 shall apply to the Pubco Shareholder in respect of the Pubco Covered Shares, *mutatis mutandis*.

7. Termination. This Agreement shall terminate upon the earlier of (i) the Share Acquisition Closing Date, (ii) the termination of the Business Combination Agreement in accordance with its terms, such date being the "***Termination Date***". Upon the Termination Date none of the Parties shall have any further obligations or Liabilities under, or with respect to, this Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, (i) Section 9 shall survive any termination of this Agreement, (ii) the termination of this Agreement shall not affect any Liability on the part of any Party for a willful and material breach of any covenant or agreement set forth in this Agreement prior to such termination or actual fraud, and (iii) Sections 18 through 28 (inclusive) shall survive any termination of this Agreement.

8. Representations and Warranties of the Shareholder. Each Shareholder hereby represents and warrants to Broadstone, separately as to himself, herself, or itself only, and not jointly, as follows:

(a) Such Shareholder is the identified on the Register of the Company's Shareholders as the owner of, and such Shareholder has good, valid and marketable title to, such Shareholder's Owned Shares, free and clear of Liens other than as created by this Agreement or the organisational documents of the Company (including, for the purposes hereof, any agreements between or among shareholders of the Company). As of the date hereof, other than such Shareholder's Owned Shares, such Shareholder does not own beneficially or of record any shares of capital stock of the Company (or any securities convertible into shares of capital stock of the Company) or any interest therein.

(b) Such Shareholder (i) has full voting power, full power of disposition and full power to issue instructions with respect to the matters set forth herein, in each case, with respect to such Shareholder's Owned Shares, (ii) has not entered into any voting agreement or voting trust with respect to any of such Shareholder's Owned Shares that is inconsistent with such Shareholder's obligations pursuant to this Agreement, (iii) has not granted a proxy or power of attorney with respect to any of such Shareholder's Owned Shares that is inconsistent with such Shareholder's obligations pursuant to this Agreement and (iv) has not entered into any agreement or undertaking that is otherwise inconsistent with, or would interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to this Agreement.

(c) Such Shareholder affirms that (i) if such Shareholder is a natural person, he or she has all the requisite power and authority and has taken all action necessary in order to execute and deliver this Agreement, to perform his or her obligations hereunder and to consummate the transactions contemplated hereby, and (ii) if such Shareholder is not a natural person, (A) it is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of the jurisdiction of its organisation and (B) has all requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Shareholder and constitutes a valid and binding agreement of such Shareholders enforceable against such Shareholder in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganisation, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(d) Other than the filings, notices and reports pursuant to, in compliance with or required to be made under the Exchange Act, no filings, notices, reports, consents, registrations, approvals, permits, waivers, expirations of waiting periods or authorisations are required to be obtained by such Shareholder from, or to be given by such Shareholder to, or be made by such Shareholder with, any Governmental Authority in connection with the execution, delivery and performance by such Shareholder of this Agreement, the consummation of the transactions contemplated hereby, the Share Acquisition, the Merger, or any of the other transactions contemplated by the Business Combination Agreement.

(e) The execution, delivery and performance of this Agreement by such Shareholder does not, and the consummation of the transactions contemplated hereby, or the Share Acquisition, the Merger and the other transactions contemplated by the Business Combination Agreement will not, constitute or result in (i) a breach or violation of, or a default under, the limited liability company agreement or similar governing documents of such Shareholder (if such Shareholder is not a natural person), (ii) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) of or a default under, the loss of any benefit under, the creation, modification or acceleration of any obligations under or the creation of a Lien on any of the properties, rights or assets of such Shareholder pursuant to any Contract binding upon such Shareholder or, assuming (solely with respect to performance of this Agreement and the transactions contemplated hereby), compliance with the matters referred to in Section 6(d), under any applicable Law to which such Shareholder is subject or (iii) any change in the rights or obligations of any party under any Contract legally binding upon such Shareholder, except, in the case of clause (ii) or (iii) directly above, for any such breach, violation, termination, default, creation, acceleration or change that would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair such Shareholder's ability to perform its obligations hereunder or to consummate the transactions contemplated hereby, the Share Acquisition, the Merger, or any of the other transactions contemplated by the Business Combination Agreement.

(f) As of the date of this Agreement, there is no action, proceeding or investigation pending against such Shareholder or, to the knowledge of such Shareholder, threatened against such Shareholder that questions the beneficial or record ownership of such Shareholder's Owned Shares, the validity of this Agreement or the performance by such Shareholder of its obligations under this Agreement.

(g) References in this Section 8 to "Shareholder" shall be deemed to include a reference to the Pubco Shareholder in respect of Pubco and the Pubco Owned Shares, *mutatis mutandis*.

9. Release of Claims. In consideration for the benefits to be received by each Shareholder under the terms of the Business Combination Agreement and the Ancillary Documents, subject to and effective as of the Closing, each Shareholder, for and on behalf of itself and each of its heirs, executors, administrators, personal representatives, successors, assigns and subsidiaries, hereby acknowledges full and complete satisfaction of and fully and irrevocably releases and forever discharges Broadstone, the Sponsor, each of their respective subsidiaries and their predecessors, successors, assignees, parent companies, shareholders and investors (direct and indirect) and, in each case, each of their respective Affiliates, officers, directors, partners, employees, agents, attorneys and other representatives, past and present (collectively, the "***Released Entities***"), from liability on or for any and all charges, claims, controversies, actions, causes of action, cross claims, counterclaims, demands, debts, duties, sanctions, fines, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs, attorney's fees, sums of money, suits, contracts, covenants, controversies, agreements, promises, responsibilities, obligations and accounts of any kind, nature or description whatsoever in Law or in equity ("***Actions***"), direct or indirect, past, present and future, and whether or not now or heretofore known, suspected, matured or unmatured, contingent or uncontingent, or claimed against the Released Entities, through to and including the Closing, arising out of, or relating to the negotiation, implementation or closing of the transactions contemplated by the Business Combination Agreement.

10. Certain Covenants of the Shareholders. Except in accordance with the terms of this Agreement, each Shareholder hereby covenants and agrees, severally as to itself only and not jointly, as follows:

(a) No Solicitation (Alternative Transactions). Prior to the Termination Date, such Shareholder agrees not to, directly or indirectly, (i) initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or requests for information with respect to, or the making of, any inquiry regarding, or any proposal or offer that constitutes, or could reasonably be expected to result in or lead to, any Alternative Transaction, (ii) engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential information or data to, any Person relating to any proposal, offer, inquiry or request for information that constitutes, or could reasonably be expected to result in or lead to, any Alternative Transaction, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Alternative Transaction, (iv) execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, confidentiality agreement, merger agreement, acquisition agreement, exchange agreement, joint venture agreement, partnership agreement, option agreement or other similar agreement for or relating to any Alternative Transaction, or (v) resolve or agree to do any of the foregoing. Such Shareholder also agrees that immediately following the execution of this Agreement such Shareholder shall, and shall use commercially reasonable efforts to cause its Representatives to, cease any solicitations, discussions or negotiations with any Person (other than the Parties and their respective Representatives) conducted heretofore in connection with an Alternative Transaction or any inquiry or request for information that could reasonably be expected to lead to, or result in, an Alternative Transaction. Such Shareholder shall promptly (and in any event within one (1) Business Day) notify, in writing, Broadstone of its receipt, in its capacity as a shareholder of the Company and not in any other capacity, of any inquiry, proposal, offer or request for information received after the date hereof that constitutes, or could reasonably be expected to result in or lead to, any Alternative Transaction or proposed Alternative Transaction, and such Shareholder shall promptly (and in any event within one (1) Business Day) keep Broadstone reasonably informed of any material developments with respect to any such inquiry, proposal, offer, request for information, Alternative Transaction, or proposed Alternative Transaction (including any material changes thereto).

(b) No Solicitation (Public Listing Transactions). Prior to the Termination Date, such Shareholder agrees not to, directly or indirectly, (i) initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or requests for information with respect to, or the making of, any inquiry regarding, or any proposal or offer that constitutes, or could reasonably be expected to result in or lead to, any Public Listing Transaction, (ii) engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential information or data to, any Person relating to any proposal, offer, inquiry or request for information that constitutes, or could reasonably be expected to result in or lead to, any Public Listing Transaction, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Public Listing Transaction, (iv) execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, confidentiality agreement, merger agreement, acquisition agreement, exchange agreement, joint venture agreement, partnership agreement, option agreement or other similar agreement for or relating to any Public Listing Transaction, or (v) resolve or agree to do any of the foregoing. Such Shareholder also agrees that immediately following the execution of this Agreement such Shareholder shall, and shall use commercially reasonable efforts to cause its Representatives to, cease any solicitations, discussions or negotiations with any Person (other than the Parties and their respective Representatives) conducted heretofore in connection with a Public Listing Transaction or any inquiry or request for information that could reasonably be expected to lead to, or result in, a Public Listing Transaction. Such Shareholder shall promptly (and in any event within one (1) Business Day) notify, in writing, Broadstone of its receipt, in its capacity as a shareholder of the Company and not in any other capacity, of any inquiry, proposal, offer or request for information received after the date hereof that constitutes, or could reasonably be expected to result in or lead to, a Public Listing Transaction or proposed Public Listing Transaction, and such Shareholder shall promptly (and in any event within one (1) Business Day) keep Broadstone reasonably informed of any material developments with respect to any such inquiry, proposal, offer, request for information, Public Listing Transaction, or proposed Public Listing Transaction (including any material changes thereto).

(c) Prior to the Termination Date, such Shareholder hereby agrees not to, directly or indirectly, (i) sell, transfer, pledge, encumber, assign, hedge, swap, convert or otherwise dispose of (including by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of Law or otherwise), either voluntarily or involuntarily (collectively, "Transfer"), or enter into any Contract or option with respect to the Transfer of, any of such Shareholder's Covered Shares (or other securities into which such Covered Shares may have converted), or (ii) take any action that would make any representation or warranty of such Shareholder contained herein untrue or incorrect or have the effect of preventing or disabling such Shareholder from performing its obligations under this Agreement; provided, however, that nothing herein shall prohibit a Transfer (x) to an Affiliate of such Shareholder, or (y) following the Termination Date (the Transfers contemplated by the preceding subclauses (x) and (y), each a "Permitted Transfer"); provided, further, that any Permitted Transfer in respect of (x) above shall be permitted only if, as a precondition to such Transfer, the transferee agrees in writing, reasonably satisfactory in form and substance to Broadstone, to assume all of the obligations of such Shareholder under, and to be bound by all of the terms of, this Agreement; provided, further, that any Transfer permitted under this Section 10(c) shall not relieve such Shareholder of its obligations under this Agreement. Any Transfer in violation of this Section 10(c) with respect to any Shareholder's Covered Shares (or other securities into which such Covered Shares may have converted) shall be null and void *ab initio*.

(d) Prior to the Termination Date, the Pubco Shareholder hereby agrees not to, Transfer, or enter into any Contract or option with respect to the Transfer of, any of the Pubco Covered Shares (or other securities into which the Pubco Covered Shares may have converted).

(e) Each Shareholder hereby authorizes Broadstone to maintain a copy of this Agreement at either the executive office or the registered office of Broadstone.

11. Noteholder Shares. The Company hereby irrevocably agrees to procure that the power and authority granted to any director of the Company pursuant to the Noteholder POA is used by any such director of the Company to vote or cause to be voted any shares of the capital stock of the Company over which the Noteholder POA extends to irrevocably and unconditionally consent to the Approval and to give effect to all matters contemplated by Section 1, in each case on behalf of the Noteholders.

12. AA Shares. The Company hereby irrevocably agrees to procure that the power and authority granted to any director of the Company pursuant to the AA POA is used by any such director of the Company to vote or cause to be voted any shares of the capital stock of the Company over which the AA POA extends to irrevocably and unconditionally consent to the Approval and to give effect to all matters contemplated by Section 1, in each case on behalf of AA.

13. Further Assurances. From time to time, at Broadstone's request, each Shareholder shall execute and deliver such additional documents and take all such further action as may be reasonably necessary or reasonably requested to effect the actions and consummate the transactions contemplated by this Agreement. Each Shareholder further agrees not to commence or participate in, and to take all actions necessary to opt out of any class action with respect to, any action or claim, derivative or otherwise, against the Company, any Affiliate of the Company, Broadstone, Sponsor, or any of their respective successors and assigns challenging the transactions contemplated by the Business Combination Agreement, including the Share Acquisition.

14. Fiduciary Duties. Notwithstanding anything in this Agreement to the contrary, (a) each Shareholder makes no agreement or understanding herein in any capacity other than in such Shareholder's capacity as a record holder and beneficial owner of the Owned Shares, and not in such Shareholder's capacity as a director, officer or employee of any Target Company (if applicable) and (b) nothing herein will be construed to limit or affect any action or inaction by such Shareholder or any representative of such Shareholder serving as a member of the board of directors of any Target Company or as an officer, employee or fiduciary of any Target Company, in each case, acting in such person's capacity as a director, officer, employee or fiduciary of such Target Company (if applicable).

15. Disclosure. Each Shareholder hereby authorizes Broadstone and the Company to publish and disclose in any announcement or disclosure required by the SEC such Shareholder's identity and ownership of the Covered Shares and the nature of such Shareholder's obligations under this Agreement.

16. Changes in Capital Stock. In the event of a stock split, stock dividend or distribution, or any change in the Company's (or Pubco's) capital stock by reason of any split-up, reverse stock split, recapitalisation, combination, reclassification, exchange of shares or the like, the terms "Owned Shares" (or "Pubco Owned Shares") and "Covered Shares" (or "Pubco Covered Shares") shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

17. Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing signed by the Company, Broadstone and the Shareholders.

18. Waiver. No failure or delay by any party hereto exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties hereto hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of a party hereto to any such waiver shall be valid only if set forth in a written instrument executed and delivered by such party.

19. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by email (with confirmation of receipt) or sent by a nationally recognized overnight courier service, such as Federal Express, to the parties hereto at the following addresses (or at such other address for a party as shall be specified by like notice made pursuant to this Section 14):

If to a Shareholder, at: the address (including email) set forth in the Company's books and records, or set forth on Schedule A hereto, or to such other address or to the attention of such other person as such Shareholder has specified by prior written notice to the Company and the other Shareholders in accordance with this Section 14

with a copy (which shall not constitute notice) to:

Latham & Watkins (London) LLP
99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: ######@#####.###and ######@#####.###

If to the Company, at:

Vertical Aerospace Group Ltd.
140-142 Kensington Church Street, London, W8 4BN, United Kingdom
Email: ######@#####.###

with a copy (which shall not constitute notice) to:

Latham & Watkins (London) LLP
99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: ######@#####.### and ######@#####.###

If to Pubco, at:

Vertical Aerospace Ltd.
140-142 Kensington Church Street, London, W8 4BN, United Kingdom
Email: ######@#####.###

with a copy (which will not constitute notice) to:

Latham & Watkins (London) LLP
99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: ######@#####.###and ######@#####.###; and

If to Broadstone, at:

Broadstone Acquisition Corp.
7 Portman Mews South, Marylebone, London W1H 6AY, United Kingdom
Attn: Edward Hawkes and Marc Jonas
Email: ######@#####.### and ######@#####.###

with a copy (which will not constitute notice) to:

Winston & Strawn London LLP
CityPoint, One Ropemaker Street, London EC2Y 9AW, United Kingdom
Attn: Paul Amiss and Nicholas Usher
Email: ######@#####.### and ######@#####.###

If to the Sponsor, to:

Broadstone Sponsor LLP
7 Portman Mews South, Marylebone, London W1H 6AY, United Kingdom
Attn: Edward Hawkes and Marc Jonas
Email: ######@#####.### and ######@#####.###

with a copy (which will not constitute notice) to:

Winston & Strawn London LLP
CityPoint, One Ropemaker Street, London EC2Y 9AW, United Kingdom
Attn: Paul Amiss and Nicholas Usher
Email: ######@#####.### and ######@#####.###

20. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Broadstone, any direct or indirect ownership or incidence of ownership of or with respect to the Covered Shares of any of the Shareholders. All rights, ownership and economic benefits of and relating to the Covered Shares of each of the Shareholders shall remain vested in and belong to each such Shareholder, and Broadstone shall have no authority to direct any Shareholder in the voting or disposition of such Shareholder's Covered Shares, except as otherwise provided herein.

21. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter hereof.

22. No Third-Party Beneficiaries.

(a) Each Shareholder hereby agrees that its representations, warranties and covenants set forth herein are solely for the benefit of Broadstone in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein, and the parties hereto hereby further agree that this Agreement may only be enforced against, and any Action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against, the Persons expressly named as parties hereto.

(b) Notwithstanding the foregoing, the Sponsor shall be an express third-party beneficiary of the provisions set forth in Section 9. The provisions of Section 22(a) shall not apply to the right of the Sponsor to enforce any of the obligations of which it is a beneficiary in Section 9.

23. Governing Law; Jurisdiction. This Agreement and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to hear, determine and settle any Disputes and, for such purposes, irrevocably submit to the jurisdiction of such courts, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum. For the purposes of this Section 21, "***Dispute***" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Agreement.

24. Specific Performance. Each Party acknowledges that the rights of each Party to consummate the Transactions are unique, recognises and affirms that in the event of a breach of this Agreement by any Party, money damages may be inadequate and the non-breaching Parties may have not adequate remedy at law, and agree that irreparable damage may occur in the event that any of the provisions of this Agreement were not performed by an applicable Party in accordance with their specific terms or were otherwise breached. Accordingly, each Party shall be entitled to seek an injunction, specific performance or other equitable remedy to prevent or remedy any breach of this Agreement and to seek to enforce specifically the terms and provisions hereof, in each case, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

25. Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto in whole or in part (whether by operation of Law or otherwise) without the prior written consent of the other party, and any such assignment without such consent shall be null and void. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

26. Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, so long as the economic and legal substance of the transactions contemplated hereby, taken as a whole, are not affected in a manner materially adverse to any party hereto. Upon such a determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

27. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, it being understood that each party need not sign the same counterpart. This Agreement shall become effective when each party shall have received a counterpart hereof signed by all of the other parties. Signatures delivered electronically or by facsimile shall be deemed to be original signatures.

28. Interpretation and Construction. This Agreement shall apply to the Pubco Shareholder in respect of Pubco and the Pubco Covered Shares, *mutatis mutandis*. The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. References to Sections are to Sections of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. The definitions contained in this Agreement are applicable to the masculine as well as to the feminine and neuter genders of such term. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute and to any rules or regulations promulgated thereunder. References to any person include the successors and permitted assigns of that person. References from or through any date mean, unless otherwise specified, from and including such date or through and including such date, respectively. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[The remainder of this page is intentionally left blank.]

SCHEDULE A

Holder	Address	Number and Class of Ordinary Shares
Stephen Fitzpatrick	##### ##### ##### #####	123,220 A Ordinary Shares
Samuel Sugden	##### ##### ##### #####	118 B Ordinary Shares
Mark Yemm	##### ##### ##### #####	4,714 B Ordinary Shares

Executed as a **Deed** by
BROADSTONE SPONSOR LLP., acting by
Marc Jonas, a member, and
Huge Osmond, a member

/s/ Marc Jonas

/s/ Huge Osmond

[Signature Page to Voting and Support Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a DEED as of the date first written above.

Executed as a **Deed** by
BROADSTONE ACQUISITION CORP., acting by
Marc Jonas , /s/ Marc Jonas
a director, and
Hugh Osmond , a director /s/ Hugh Osmond

[Signature Page to Voting and Support Agreement]

Executed as a **Deed** by
VERTICAL AEROSPACE LTD.,
acting by
Vincent Casey,
a director, and
Stephen Fitzpatrick, a director

/s/ Vincent Casey

/s/ Stephen Fitzpatrick

[Signature Page to Voting and Support Agreement]

Executed as a **Deed** by
VERTICAL AEROSPACE GROUP LTD.,
acting by
Vincent Casey
a director, and

/s/ Vincent Casey

in the presence of:

Signature of Witness:	/s/ Jemma Casey
Name of Witness:	Jemma Casey
Occupation:	N.A
Address of Witness:	##### ##### #####

[Signature Page to Voting and Support Agreement]

SHAREHOLDERS:

Executed as a **Deed** by
STEPHEN FITZPATRICK /s/ Stephen Fitzpatrick

in the presence of:

Signature of Witness: /s/ Kat Nicholas
Name of Witness: Kat Nicholas
Occupation: Executive Assistant
Address of Witness: #####
#####
#####

[Signature Page to Voting and Support Agreement]

Executed as a **Deed** by
SAM SUGDEN /s/ Sam Sugden

in the presence of:

Signature of Witness: /s/ Paul Ryder
Name of Witness: Paul Ryder
Occupation: Consultant
Address of Witness: #####
#####
#####

[Signature Page to Voting and Support Agreement]

Executed as a **Deed** by
MARK YEMM /s/ Mark Yemm

in the presence of:

Signature of Witness: /s/ Shona Yemm
Name of Witness: Shona Yemm
Occupation: N.A
Address of Witness: #####
#####
#####

[Signature Page to Voting and Support Agreement]

Exhibit 4.5

SPONSOR LETTER AGREEMENT

This SPONSOR LETTER AGREEMENT (this "***Agreement***"), dated as of June 10, 2021, is entered into as a deed by and among Broadstone Sponsor LLP, a United Kingdom limited liability partnership (the "***Sponsor***"), Broadstone Acquisition Corp., a Cayman Islands exempted company ("***Broadstone***"), Vertical Aerospace Group Ltd., a company limited by shares incorporated in England and Wales under registration number 12590994 (the "***Company***"), Vertical Aerospace Ltd., a Cayman Islands exempted company incorporated with limited liability ("***Pubco***") and Vertical Merger Sub Ltd., a Cayman Islands exempted company incorporated with limited liability ("***Merger Sub***"). The Sponsor, Broadstone and the Company shall be referred to herein from time to time collectively as the "***Parties***". Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Business Combination Agreement (as defined below).

WHEREAS, concurrently with the execution of this Agreement, Broadstone, Pubco, Merger Sub, the Sponsor, the Company and certain other parties thereto are entering into that certain Business Combination Agreement dated as of the date hereof (as it may be amended, restated or otherwise modified from time to time in accordance with its terms, the "***Business Combination Agreement***"), pursuant to which, among other things, Broadstone will merge with and into Merger Sub (the "***Merger***") and Pubco will acquire all of the issued and outstanding shares of the Company (the "***Share Acquisition***");

WHEREAS, the Business Combination Agreement contemplates that the Parties will enter into this Agreement concurrently with the entry into the Business Combination Agreement by the parties thereto, pursuant to which, among other things, the Sponsor agrees that it will (a) vote in favor of approval of the Business Combination Agreement, the Ancillary Documents and the transactions contemplated by each of them, including the Shareholder Approval Matters (b) waive any adjustment to the conversion ratio or any other anti-dilution or similar protection with respect to the Purchaser Class B Shares set forth in the Organisational Documents of Broadstone and/or, after giving effect to the Merger, the Pubco Ordinary Shares set forth in the Organisational Documents of Pubco (in each case resulting from the transactions contemplated by the Business Combination Agreement).

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, hereby agree as follows:

1. Agreement to Vote.

(a) The Sponsor hereby irrevocably and unconditionally agrees, at any meeting of the shareholders of Broadstone duly called and convened in accordance with the Organisational Documents of Broadstone, whether or not adjourned and however called, including at the Special Shareholder Meeting or otherwise, and in any action by written consent of the shareholders of Broadstone, (i) to vote, or cause to be voted, or execute and return, or cause to be executed and returned, an action by written consent with respect to, as applicable, all of the Sponsor's Purchaser Class B Shares and Purchaser Class A Shares (if any) (the "***Sponsor Purchaser Ordinary Shares***"), in each case, held of record or beneficially by Sponsor as of the date of this Agreement, or to which the Sponsor acquires record or beneficial ownership after the date hereof and prior to the Share Acquisition Closing (the "***Closing***") (including by reason of the Merger) (collectively, the "***Subject Equity Securities***") in favor of each of the Shareholder Approval Matters, in each case, to the extent such Subject Equity Securities are entitled to vote thereon or consent thereto (ii) when such meeting is held, appear at such meeting or otherwise cause the applicable Subject Equity Securities to be counted as present thereat for the purpose of establishing a quorum, (iii) to the fullest extent permitted under applicable Law, waive any dissenters, appraisal or other similar rights, whether such rights are afforded by law or contract, in respect of the transactions contemplated by the Business Combination Agreement and the Ancillary Documents, including the Merger, (iv) to vote against, or cause to be voted against, or withhold consent, or cause consent to be withheld, with respect to, any other matter, action or proposal that would reasonably be expected to result in (x) a breach of any of Broadstone, Pubco or Merger Sub's (each a "***Broadstone Party***") covenants, agreements or obligations under the Business Combination Agreement or any of the Ancillary Documents or (y) any of the conditions to the consummate of the Transactions set forth in Articles 10.1 (Condition to Each Party's Obligations) or 10.3 (Conditions to Obligations of Purchaser, Pubco and Merger Sub) of the Business Combination Agreement not being satisfied; and (v) not to redeem, elect to redeem or tender or submit any of its Subject Equity Securities for redemption in connection with the Shareholder Approval Matters, the Merger, the Share Acquisition or any other transactions contemplated by the Business Combination Agreement. Without limiting the generality of the foregoing, prior to any valid termination of the Business Combination Agreement, to the extent within its power to do so in its capacity as holder of Sponsor Purchaser Ordinary Shares, the Sponsor shall take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary under applicable Laws to consummate the Merger and the other transactions contemplated by the Business Combination Agreement and on the terms and subject to the conditions set forth therein. The obligations of the Sponsor specified in this Section 1 shall apply whether or not the Merger, any of the transactions contemplated by the Merger Agreement or any action described above is recommended by Broadstone's or the Sponsor's board of directors.

(b) The Sponsor irrevocably and unconditionally agrees that, as promptly as reasonably practicable (and in any event within five (5) Business Days) following the time at which the Registration Statement / Proxy Statement is declared effective under the Securities Act and upon written notice thereof from the Company or Broadstone, it shall duly execute and deliver to Pubco properly completed and duly executed stock transfer form(s), in each case with respect to that Subject Equity Securities, or indemnities in respect thereof (the "***STFs***"), together with any and all Ancillary Documents required to be executed and delivered by the Sponsor as such are provided for in the Business Combination Agreement, and any other agreement, instrument or document required by the Company or Broadstone to validate, give effect to or otherwise implement the Business Combination Agreement and the Transactions (together the "***Share Acquisition Documents***").

(c) The Sponsor hereby agrees, consents to and approves (i) the transactions contemplated by the Business Combination and the Ancillary Documents and (ii) entry into by the Sponsor the Business Combination Agreement and the Share Acquisition Documents.

(d) Without limiting any other rights or remedies of the Company, in the event that Sponsor fails to perform or otherwise comply with the covenants, agreements or obligations set forth in Section 1(a) or Section 1(b) hereof (such failure, a "***POA Event***"), then, solely in such circumstances and solely to the extent set forth herein, the Sponsor hereby irrevocably appoints each member of the board of directors of the Company as the Sponsor's true and lawful representative, agent, attorney and proxy (with full power of substitution and resubstitution), for and in the name, place and stead of Sponsor (the "***Appointment***"), (i) to execute and deliver on its behalf all Share Acquisition Documents, (ii) to attend on behalf of Sponsor any meeting of Broadstone's shareholders with respect to the matters described in Section 1(a) or Section 1(b) hereof, (iii) to include the applicable Subject Equity Securities in any computation for purposes of establishing a quorum at any such meeting of the holders of Purchaser Ordinary Shares and (iv) to vote (or cause to be voted), or deliver a written consent (or withhold consent), or waive, revoke or not assert any right, if applicable, with respect to the applicable Subject Equity Securities on the matters specified in, and in accordance and consistent with Section 1(a) or Section 1(b) hereof in connection with any meeting of the holders of Purchaser Ordinary Shares or any action by written consent by the holders of Purchaser Ordinary Shares. The Sponsor hereby revokes any appointment previously granted by it with respect to the Subject Equity Securities, if any. Notwithstanding anything contained herein to the contrary, this Appointment shall automatically terminate upon the earlier of the termination of the Business Combination Agreement in accordance with its terms or the Share Acquisition Closing.

(e) The Appointment granted by the Sponsor is granted in consideration for the Company and Broadstone entering into the Business Combination Agreement and agreeing to consummate the transactions contemplated thereby. The Appointment granted by the Sponsor is unconditional and irrevocable and shall survive the bankruptcy, dissolution, death, incapacity or other inability to act by the Sponsor. The Appointment may only be exercised with respect to the matters described in Section 1(a) or Section 1(b). Upon the occurrence of a POA Event, the Sponsor hereby approves, authorizes and ratifies everything which any member of the board of directors of the Company shall lawfully due pursuant to this Section 1 to the extent consistent with the terms and conditions of this Agreement, the Business Combination Agreement and the Share Acquisition Documents.

2. Waiver of Anti-dilution Protection. Subject to, and conditioned upon, the occurrence of the Closing, to the fullest extent permitted by law, the Sponsor (on behalf of itself and for its successors, heirs and assigns) hereby waives, and agrees not to assert or perfect, any rights to adjustment or other anti-dilution protections with respect to the rate that the Purchaser Class B Shares held by it convert into Purchaser Class A Shares, as set out in Article 17.3 of the Amended and Restated Memorandum and Articles of Association of Broadstone (or Pubco Ordinary Shares), in connection with the transactions contemplated by the Business Combination Agreement and the Ancillary Documents, provided always that this Section 2 shall not apply to the extent that any such waiver by the Sponsor will result in the Purchaser Class B Shares converting into Purchaser Class A Shares (or Pubco Ordinary Shares) on anything less than a one-for-one basis.

3. Transfer of Shares.

(a) Except as expressly contemplated by the Business Combination Agreement (including in connection with the Merger) or with the prior written consent of the Company (such consent to be given or withheld in its sole discretion), from and after the date hereof until the effective date of the termination of this Agreement in accordance with Section 7, the Sponsor hereby agrees that it shall not (i) Transfer any of its Subject Equity Securities, (ii) enter into (A) any option, warrant, purchase right, or other Contract that could (either alone or in connection with one or more events, developments or events (including the satisfaction or waiver of any conditions precedent)) require the Sponsor to Transfer its Subject Equity Securities or (B) any voting trust, proxy or other Contract with respect to the voting or Transfer of the Subject Equity Securities, or (iii) enter into any Contract to take, or cause to be taken, any of the actions set forth in clauses (i) or (ii); provided, however, that the foregoing shall not apply to any Transfer (1) to Broadstone's officers or directors, any members or partners of the Sponsor, any Affiliates of the Sponsor, or any employees of such Affiliate; (2) in the case of an individual, by gift to a member of one of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an Affiliate of such individual or to a charitable organization; (3) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (4) in the case of an individual, pursuant to a qualified domestic relations order; or (5) by virtue of the Sponsor's Organizational Documents upon liquidation or dissolution of the Sponsor; provided, that the Sponsor shall, and shall cause any transferee of its Subject Equity Securities of the type set forth in clauses (1) through (5), to enter into a written agreement in form and substance reasonably satisfactory to the Company, agreeing to be bound by this Agreement prior to the occurrence of such Transfer. For purposes of this Agreement, "***Transfer***" means any, direct or indirect, sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or encumbrance in or disposition of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law or otherwise).

(b) In furtherance of the foregoing, to the extent that the Sponsor holds Subject Equity Securities that are listed on NYSE the Sponsor hereby agrees to (i) place a revocable stop order on all such Subject Equity Securities subject to Section 3(a), including those which may be covered by a registration statement, and (ii) notify Broadstone's transfer agent in writing of such stop order and the restrictions on such Subject Equity Securities under Section 3(a) and direct Broadstone's transfer agent not to process any attempts by the Sponsor to Transfer any Subject Equity Securities except in compliance with Section 3(a); for the avoidance of doubt, the obligations of the Sponsor under this Section 3(a) shall be deemed to be satisfied by the existence of any similar stop order and restrictions currently existing on the Subject Equity Securities.

(c) The transfer restrictions provided for in section 7 of the letter agreement entered into between, *inter alia*, the Sponsor and Broadstone, dated September, 10, 2020 (the "***Insider Letter Agreement***"), shall not apply to any transfer of Purchaser Class B Shares or Purchaser Private Warrants by the Sponsor pursuant to the terms of the Business Combination Agreement. Furthermore, at Share Acquisition Closing, the Transfer Restriction (as such term is defined in the Lock-Up Agreement for the Sponsor) shall replace and supersede in its entirety the transfer restriction imposed on the Sponsor and the Insiders (as such term is defined in the Insider Letter Agreement) pursuant to section 7 of the Insider Letter Agreement.

4. Release of Claims. In consideration for the benefits to be received by the Sponsor under the terms of the Business Combination Agreement and the Ancillary Documents, subject to and effective as of the Closing, the Sponsor, for and on behalf of itself and each of its heirs, executors, administrators, personal representatives, successors, assigns and subsidiaries, hereby acknowledges full and complete satisfaction of and fully and irrevocably releases and forever discharges the Company, Broadstone, the Target Companies, Pubco, Merger Sub, each of their respective subsidiaries and their predecessors, successors, assignees, parent companies, shareholders and investors (direct and indirect) and, in each case, each of their respective Affiliates, officers, directors, partners, employees, agents, attorneys and other representatives, past and present (collectively, the "***Released Entities***"), from liability on or for any and all charges, claims, controversies, actions, causes of action, cross claims, counterclaims, demands, debts, duties, sanctions, fines, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs, attorney's fees, sums of money, suits, contracts, covenants, controversies, agreements, promises, responsibilities, obligations and accounts of any kind, nature or description whatsoever in Law or in equity ("***Actions***"), direct or indirect, past, present and future, and whether or not now or heretofore known, suspected, matured or unmatured, contingent or uncontingent, or claimed against the Released Entities, through to and including the Closing, arising out of, or relating to, (x) the Sponsor's ownership of any Sponsor Purchaser Ordinary Shares or any equity or debt interests in Broadstone prior to the Closing, (y) the organization, management or operation of the business of Broadstone relating to any matter, occurrence, action, inaction, omission or activity prior to the Closing, in each case, in the Sponsor's capacity as an equity or debt securityholder, and (z) the negotiation, implementation or closing of the transactions contemplated by the Business Combination Agreement; provided, that such release shall not release the Released Entities for (i) any Actions arising out of or related to the Released Entities' respective Organisational Documents, to provide indemnification, reimbursement or advancement of expenses to the Sponsor in respect of actions taken or omitted in the Sponsor's capacity as an officer and/or director of such Released Entity prior to the Closing, (ii) any Actions arising out of or related to the Released Entities' contracts with or obligations to the Sponsor in respect of compensation arrangements as an officer and/or director of such Released Entity prior to the Closing, (iii) any Actions arising under, or in connection with, any commercial agreements as between any direct or indirect portfolio companies of the Sponsor or its Affiliates and any Released Entity, or (iv) for the avoidance of doubt, any Actions arising in Sponsor's capacity as a member of Pubco under its Organisational Documents (if applicable), the New Registration Rights Agreement, in each case, arising after the Closing.

5. Other Covenants.

(a) The Sponsor hereby agrees that it shall be bound by and subject to Sections 8.14 (Public Announcements) and 8.15 (Confidential Information) of the Business Combination Agreement to the same extent as such provisions apply to the parties to the Business Combination Agreement.

(b) The Sponsor hereby covenants and agrees that it shall not, at any time prior to termination of this Agreement, (i) enter into any voting agreement or voting trust with respect to any Subject Equity Securities that is inconsistent with the Sponsor's obligations pursuant to this Agreement, (ii) grant a proxy or power of attorney with respect to any of the Sponsor's Subject Equity Securities that is inconsistent with the Sponsor's obligations pursuant to this Agreement, or (iii) enter into any agreement or undertaking that is otherwise inconsistent with, or would interfere with, or prohibit or prevent the Sponsor from satisfying, its obligations pursuant to this Agreement.

(c) The Sponsor acknowledges and agrees that the Company is entering into the Business Combination Agreement in reliance upon the Sponsor entering into this Agreement and agreeing to be bound by, and perform, or otherwise comply with, as applicable, the agreements, covenants and obligations contained in this Agreement and but for the Sponsor entering into this Agreement and agreeing to be bound by, and perform, or otherwise comply with, as applicable, the agreements, covenants and obligations contained in this Agreement, the Company would not be entering into or agreeing to consummate the transactions contemplated by the Business Combination Agreement or the Ancillary Documents.

6. Representations and Warranties. The Sponsor represents and warrants to the Company as follows:

(a) The Sponsor is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation.

(b) The Sponsor has the requisite limited liability company power and authority to execute and deliver this Agreement, to perform its covenants, agreements and obligations hereunder (including, for the avoidance of doubt, those covenants, agreements and obligations hereunder that relate to the provisions of the Business Combination Agreement), and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of the Sponsor. This Agreement has been duly and validly executed and delivered by the Sponsor and constitutes a valid, legal and binding agreement of the Sponsor (assuming that this Agreement is duly authorized, executed and delivered by the other Parties hereto), enforceable against the Sponsor in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting generally the enforcement of creditors' rights and subject to general principles of equity).

(c) No consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority is required on the part of the Sponsor with respect to the Sponsor's execution, delivery or performance of its covenants, agreements or obligations under this Agreement (including, for the avoidance of doubt, those covenants, agreements and obligations under this Agreement that relate to the provisions of the Business Combination Agreement) or the consummation of the transactions contemplated hereby, except for any consents, approvals, authorizations, designations, declarations, waivers or filings, the absence of which would not adversely affect the ability of the Sponsor to perform, or otherwise comply with, any of its covenants, agreements or obligations hereunder in any material respect.

(d) None of the execution or delivery of this Agreement by the Sponsor, the performance by the Sponsor of any of its covenants, agreements or obligations under this Agreement (including, for the avoidance of doubt, those covenants, agreements and obligations under this Agreement that relate to the provisions of the Business Combination Agreement) or the consummation of the transactions contemplated hereby will, directly or indirectly (with or without due notice or lapse of time or both) (i) result in any breach of any provision of the Sponsor's Organisational Documents, (ii) result in a violation or breach of, or constitute a default or give rise to any right of termination, Consent, cancellation, amendment, modification, suspension, revocation or acceleration under, any of the terms, conditions or provisions of any Contract to which the Sponsor is a party, (iii) violate, or constitute a breach under, any Order or applicable Law to which the Sponsor or any of its properties or assets are bound or (iv) result in the creation of any Lien upon the Subject Equity Securities, except, in the case of any of clauses (ii) through (iv) above, as would not adversely affect the ability of the Sponsor to perform, or otherwise comply with, any of its covenants, agreements or obligations under this Agreement in any material respect.

(e) The Sponsor is the record and beneficial owner of the Sponsor Purchaser Ordinary Shares and has valid, good and marketable title to the Sponsor Purchaser Ordinary Shares (and, following the consummation of the Merger, the Pubco Ordinary Shares received by the Sponsor in exchange for the Sponsor Purchaser Ordinary Shares (the "***Sponsor Pubco Shares***")), free and clear of all Liens (other than transfer restrictions under the Securities Act, under the Organisational Documents of Broadstone (or, following the Merger the Organisational Documents of Pubco), or as set forth in the Broadstone Disclosure Schedules). Except for the Equity Securities of Broadstone set forth on Schedule I hereto, together with any other Equity Securities of Broadstone and/or Pubco that the Sponsor acquires record or beneficial ownership of after the date hereof that is either permitted pursuant to, or acquired in accordance with, the Business Combination Agreement (including in connection with the Merger), the Sponsor does not own, beneficially or of record, any Equity Securities of Broadstone or Pubco or have the right to acquire any Equity Securities of Broadstone or Pubco. The Sponsor has the sole right to vote (and provide consent in respect of, as applicable) the Sponsor Purchaser Ordinary Shares (and following the Merger the Sponsor Pubco Shares) and, except for this Agreement, the Business Combination Agreement, the Organisational Documents of Broadstone, the Organisational Documents of Pubco or any proxy given for purposes of voting in favor of the Shareholder Approval Matters, the Sponsor is not party to or bound by (i) any option, warrant, purchase right, or other Contract that could (either alone or in connection with one or more events, developments or events (including the satisfaction or waiver of any conditions precedent)) requiring the Sponsor to Transfer any of the Sponsor Purchaser Ordinary Shares (or, following the Merger the Sponsor Pubco Shares) or (ii) any voting trust, proxy or other Contract with respect to the voting or Transfer of any of the Sponsor Purchaser Ordinary Shares (or, following the Merger the Sponsor Pubco Shares) in a manner inconsistent with the requirements of this Agreement. The Sponsor holds 100% of the issued and outstanding Purchaser Class B Shares as of the date hereof.

(f) There is no Action pending or, to the Sponsor's knowledge, threatened against or involving the Sponsor or any of its Affiliates that, if adversely decided or resolved, would reasonably be expected to adversely affect the ability of the Sponsor to perform, or otherwise comply with, any of its covenants, agreements or obligations under this Agreement in any material respect.

(g) The Sponsor, on its own behalf and on behalf of its Representatives, acknowledges, represents, warrants and agrees that (i) it has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of, the Company and the transactions contemplated by this Agreement, the Business Combination Agreement and the other Ancillary Documents to which it is or will be a party and (ii) it has been furnished with or given access to such documents and information about the Company and their respective businesses and operations as it and its Representatives have deemed necessary to enable him, her or it to make an informed decision with respect to the execution, delivery and performance of this Agreement or the other Ancillary Documents to which it is or will be a party and the transactions contemplated hereby and thereby.

(h) In entering into this Agreement and the other Ancillary Documents to which he, she or it is or will be a party, the Sponsor has relied solely on its own investigation and analysis and the representations and warranties expressly set forth in the Ancillary Documents to which it is or will be a party and no other representations or warranties of any of the Target Companies (including, for the avoidance of doubt, none of the representations or warranties of the Company set forth in the Business Combination Agreement or any other Ancillary Document to which the Sponsor is not and will not be a party) or any other Person, either express or implied, and the Sponsor, on its own behalf and on behalf of its Representatives, acknowledges, represents, warrants and agrees that, except for the representations and warranties expressly set forth in this Agreement or in the other Ancillary Documents to which he, she or it is or will be a party, none of the Target Companies or any other Person makes or has made any representation or warranty, either express or implied, in connection with or related to this Agreement, the Business Combination Agreement or the other Ancillary Documents or the transactions contemplated hereby or thereby.

7. Termination. This Agreement shall automatically terminate, without any notice or other action by any Party, and be void *ab initio* upon the termination of the Business Combination Agreement in accordance with its terms. Upon termination of this Agreement as provided in the immediately preceding sentence, none of the Parties shall have any further obligations or Liabilities under, or with respect to, this Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, (i) Section 4 shall survive any termination of this Agreement, (ii) the termination of this Agreement shall not affect any Liability on the part of any Party for a willful and material breach of any covenant or agreement set forth in this Agreement prior to such termination or actual fraud, and (iii) Section 5(a) (solely to the extent that it relates to Section 8.15 (Confidential Information) of the Business Combination Agreement), Section 19, and Section 20 shall each survive any termination of this Agreement.

8. No Recourse. Except for claims pursuant to the Business Combination Agreement or any other Ancillary Document by any party(ies) thereto against any other party(ies) thereto on the terms and subject to the conditions therein, each Party agrees that (a) this Agreement may only be enforced against, and any action for breach of this Agreement may only be made against, the Parties, and no claims of any nature whatsoever (whether in tort, contract or otherwise) arising under or relating to this Agreement, the negotiation hereof or its subject matter, or the transactions contemplated hereby shall be asserted against any Representatives of any Party (other than the Persons named as parties hereto), and (b) none of the Representatives of any Party (other than the Persons named as parties hereto, on the terms and subject to the conditions set forth herein) shall have any Liability arising out of or relating to this Agreement, the negotiation hereof or its subject matter, or the transactions contemplated hereby, including with respect to any claim (whether in tort, contract or otherwise) for breach of this Agreement or in respect of any written or oral representations made or alleged to be made in connection herewith, or for any actual or alleged inaccuracies, misstatements or omissions with respect to any information or materials of any kind furnished in connection with this Agreement, the negotiation hereof or the transactions contemplated hereby. Notwithstanding anything to the contrary in this Agreement, in no event shall Broadstone have any obligations or Liabilities related to or arising out of the covenants, agreements, obligations, representations or warrants of the Sponsor under this Agreement (including related to or arising out of any breach of any such covenant, agreement, obligation, representation or warranty by the Sponsor).

9. Further Assurances. From time to time, at the request of the Company, Pubco or Merger Sub, the Sponsor shall execute and deliver such additional documents and take all such further action as may be reasonably necessary or reasonably requested to effect the actions and consummate the transactions contemplated by this Agreement. The Sponsor further agrees not to commence or participate in, and to take all actions necessary to opt out of any class action with respect to, any action or claim, derivative or otherwise, against the Company, any Affiliate of the Company, Pubco, Merger Sub, or any of their respective successors and assigns challenging the transactions contemplated by the Business Combination Agreement, including the Share Acquisition.

10. Fiduciary Duties. Notwithstanding anything in this Agreement to the contrary, (a) the Sponsor makes no agreement or understanding herein in any capacity other than in the Sponsor's capacity as a record holder and/or beneficial owner of the Subject Equity Securities, and (b) nothing herein will be construed to limit or affect any action or inaction by any representative of the Sponsor serving as a member of the board of directors (or other similar governing body) of any Broadstone Party or as an officer, employee or fiduciary of a Broadstone Party, in each case, acting in such person's capacity as a director, officer, employee or fiduciary of such Broadstone Party.

11. Disclosure. The Sponsor hereby authorizes each of Broadstone, the Company, Pubco and Merger Sub to publish and disclose in any announcement or disclosure required by the SEC the Sponsor's identity and ownership of the Subject Equity Securities and the nature of the Sponsor's obligations under this Agreement.

12. Changes in Capital Stock. In the event of a stock split, stock dividend or distribution, or any change in Broadstone's capital stock by reason of any split-up, reverse stock split, recapitalisation, combination, reclassification, exchange of shares or the like, the term "Subject Equity Securities" shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

13. No Third Party Beneficiaries. This Agreement shall be for the sole benefit of the Parties and their respective successors and permitted assigns (which shall, for the avoidance of doubt, include any successor to Broadstone, including Pubco, which successor shall be bound by all obligations and entitled to enforce all rights of Broadstone under this Agreement) and is not intended, nor shall be construed, to give any Person, other than the Parties and their respective successors and assigns, any legal or equitable right, benefit or remedy of any nature whatsoever by reason this Agreement; provided, however, that each of the Released Entities shall be express third-party beneficiaries of Section 4; each Target Company shall be an express third-party beneficiary of Section 6(h) and each Insider shall be an express third-party beneficiary of Section 3(c). Nothing in this Agreement, expressed or implied, is intended to or shall constitute the Parties, partners or participants in a joint venture.

14. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given) by delivery in person, by e-mail (having obtained electronic delivery confirmation thereof (i.e., an electronic record of the sender that the email was sent to the intended recipient thereof without an "error" or similar message that such email was not received by such intended recipient)), or by registered or certified mail (postage prepaid, return receipt requested) (upon receipt thereof) to the other Parties as follows:

If to the Sponsor, to:

Broadstone Sponsor LLP
7 Portman Mews South, Marylebone, London W1H 6AY, United Kingdom
Attn: Edward Hawkes and Marc Jonas
Email: ######@#####.### and ######@#####.###

with a copy to (prior to the Closing) (which will not constitute notice):

Winston & Strawn London LLP
CityPoint, One Ropemaker Street, London EC2Y 9AW, United Kingdom
Attn: Paul Amiss and Nicholas Usher
Email: ######@#####.### and ######@#####.###

If to Broadstone, to:

Broadstone Acquisition Corp.
7 Portman Mews South, Marylebone, London W1H 6AY, United Kingdom
Attn: Edward Hawkes and Marc Jonas
Email: ######@#####.### and ######@#####.###

with a copy to (prior to the Closing) (which will not constitute notice):

Winston & Strawn London LLP
CityPoint, One Ropemaker Street, London EC2Y 9AW, United Kingdom
Attn: Paul Amiss and Nicholas Usher
Email: ######@#####.### and ######@#####.###

If to the Company, to:

Vertical Aerospace Group Ltd.
140-142 Kensington Church Street, London, W8 4BN, United Kingdom
Email: ######@#####.###

with a copy (which shall not constitute notice) to:

Latham & Watkins (London) LLP
99 Bishopsgate, London, EC2M 3XF, United Kingdom
Attn: David Stewart and Robbie McLaren
Email: ######@#####.### and ######@#####.###

or to such other address as the Party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

15. Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing signed by the Parties.

16. Waiver. No failure or delay by any Party hereto exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties hereto hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of a Party hereto to any such waiver shall be valid only if set forth in a written instrument executed and delivered by such Party.

17. Entire Agreement. This Agreement, the Business Combination Agreement and the other Ancillary Documents constitute the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

18. Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto in whole or in part (whether by operation of Law or otherwise) without the prior written consent of the other Parties, and any such assignment without such consent shall be null and void. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assigns.

19. Fees and Expenses. Except as otherwise set forth in the Business Combination Agreement, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Party incurring such fees or expenses; provided, that, any such fees and expenses incurred by the Sponsor shall be deemed to be Purchaser Transaction Expenses.

20. No Ownership Interest. Nothing contained in this Agreement will be deemed to vest in the Company any direct or indirect ownership or incidents of ownership of or with respect to the Subject Equity Securities. All rights, ownership and economic benefits of and relating to the Subject Equity Securities shall remain vested in and belong to the Sponsor, and the Company shall have no authority to manage, direct, superintend, restrict, regulate, govern or administer any of the policies or operations of any Broadstone Party or exercise any power or authority to direct the Sponsor in the voting of any of the Subject Equity Securities, except as otherwise expressly provided herein with respect to the Subject Equity Securities. Except as otherwise expressly provided in Section 1, the Sponsor shall not be restricted from voting in favor of, against or abstaining with respect to or giving (or withholding) its written consent to any other matters presented to the shareholders of Broadstone (or any successor thereto).

21. Non-Survival. The representations and warranties, and each of the agreements and covenants (to the extent such agreement or covenants contemplates or requires performance at or prior to the Closing) in this Agreement shall terminate at the Closing, and each covenant and agreement contained herein that by its terms, expressly contemplates performance after the Closing shall so survive the Closing in accordance with its terms, in each case, subject to Section 7; provided, however, notwithstanding the foregoing the Liability on the part of any Party for a willful and material breach of any covenant or agreement set forth in this Agreement prior to Closing or actual fraud shall not be affected.

22. Specific Performance. Each Party acknowledges that the rights of each Party to consummate the Transactions are unique, recognises and affirms that in the event of a breach of this Agreement by any Party, money damages may be inadequate and the non-breaching Parties may have not adequate remedy at law, and agree that irreparable damage may occur in the event that any of the provisions of this Agreement were not performed by an applicable Party in accordance with their specific terms or were otherwise breached. Accordingly, each Party shall be entitled to seek an injunction, specific performance or other equitable remedy to prevent or remedy any breach of this Agreement and to seek to enforce specifically the terms and provisions hereof, in each case, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

23. Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, so long as the economic and legal substance of the transactions contemplated hereby, taken as a whole, are not affected in a manner materially adverse to any party hereto. Upon such a determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

24. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, it being understood that each party need not sign the same counterpart. This Agreement shall become effective when each party shall have received a counterpart hereof signed by all of the other parties. Signatures delivered electronically or by facsimile shall be deemed to be original signatures.

25. Governing Law; Jurisdiction. This Agreement and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to hear, determine and settle any Disputes and, for such purposes, irrevocably submit to the jurisdiction of such courts, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum. For the purposes of this Section 25, "***Dispute***" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Agreement.

26. Interpretation and Construction. The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. References to Sections are to Sections of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. The definitions contained in this Agreement are applicable to the masculine as well as to the feminine and neuter genders of such term. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute and to any rules or regulations promulgated thereunder. References to any person include the successors and permitted assigns of that person. References from or through any date mean, unless otherwise specified, from and including such date or through and including such date, respectively. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a DEED as of the date first written above.

[*signature page follows*]

SCHEDULE I

Equity Securities of Broadstone as of the date hereof

Shareholder	Number of Purchaser Class A Shares	Number of Purchaser Class B Shares	Number of Purchaser Public Warrants	Number of Purchaser Private Warrants
Broadstone Sponsor LLP	0	7,632,575	0	8,106,060

Executed as a **Deed** by **BROADSTONE ACQUISITION CORP.**, acting by Marc Jonas, a director, and Hugh Osmond, a director	/s/ Marc Jonas /s/ Hugh Osmond

[Signature Page to Sponsor Letter Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a DEED as of the date first written above.

Executed as a **Deed** by
BROADSTONE SPONSOR LLP., acting by
Marc Jonas, a member, and
Hugh Osmond, a member

/s/ Marc Jonas

/s/ Hugh Osmond

[Signature Page to Sponsor Letter Agreement]

Executed as a **Deed** by
VERTICAL AEROSPACE LTD., acting by
Stephen Fitzpatrick,
a director, and
Vincent Casey, a director

/s/ Stephen Fitzpatrick

/s/ Vincent Casey

[Signature Page to Sponsor Letter Agreement]

Executed as a **Deed** by
VERTICAL AEROSPACE GROUP LTD., acting by
Stephen Fitzpatrick, a director, and
Vincent Casey, a director

/s/ Stephen Fitzpatrick

/s/ Vincent Casey

[Signature Page to Sponsor Letter Agreement]

Executed as a **Deed** by
VERTICAL MERGER SUB LTD., acting by
Stephen Fitzpatrick,
a director, and
Vincent Casey, a director

/s/ Stephen Fitzpatrick

/s/ Vincent Casey

[Signature Page to Sponsor Letter Agreement]

Exhibit 4.6

VERTICAL AEROSPACE LTD.
2021 INCENTIVE AWARD PLAN

ARTICLE 1.

PURPOSE

The purpose of the Vertical Aerospace Limited 2021 Incentive Award Plan (as it may be amended or restated from time to time, the "Plan") is to promote the success and enhance the value of Vertical Aerospace Limited, a Cayman Islands company (the "Company") by linking the individual interests of Directors, Employees, and Consultants to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2.

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

2.2 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.3 "Applicable Law" shall mean any applicable law, including, without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.4 "Automatic Exercise Date" shall mean, with respect to an Option or a Stock Appreciation Right, the last business day of the applicable Option Term or Stock Appreciation Right Term that was initially established by the Administrator for such Option or Stock Appreciation Right (*e.g.*, the last business day prior to the tenth (10^{th}) anniversary of the date of grant of such Option or Stock Appreciation Right if the Option or Stock Appreciation Right initially had a ten-year (10 year) Option Term or Stock Appreciation Right Term, as applicable).

2.5 "Award" shall mean an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award, an Other Stock or Cash Based Award or a Dividend Equivalent award, which may be awarded or granted under the Plan.

2.6 "Award Agreement" shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium (which may be limited to notation on the books and records of the Company) and, with the approval of the Administrator, which need not be signed by a representative of the Company or a recipient, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

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

2.8 "Change in Control" shall mean and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) directly or indirectly acquires beneficial ownership (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition by the Company or any of its Subsidiaries; (ii) any acquisition by an employee benefit plan maintained by the Company or any of its Subsidiaries, (iii) any acquisition which complies with Sections 2.8(c)(i), 2.8(c)(ii) or 2.8(c)(iii); or (iv) in respect of an Award held by a particular Holder, any acquisition by the Holder or any group of persons including the Holder (or any entity controlled by the Holder or any group of persons including the Holder);

(b) The Incumbent Directors cease for any reason to constitute a majority of the Board; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination, (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 2.8(c)(ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity were Board members at the time of the Board's approval of the execution of the initial agreement providing for such transaction; or

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b), or (c) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

2.9 "Cause" shall mean any of the Company or any parent of the Company or a Subsidiary having "Cause" to terminate Holder's employment or services, as such term is defined in any relevant employment or services agreement between Holder and the Company (or any parent of the Company or a Subsidiary, as applicable); *provided* that, in the absence of such agreement containing such definition, the Company (or any parent of the Company or a Subsidiary, as applicable) shall have "Cause" to terminate Holder's employment or services upon: (i) gross neglect or willful misconduct by Holder of Holder's duties or Holder's willful failure to carry out, or comply with, in any material respect any lawful and reasonable directive of the Board; (ii) conviction of Holder of a criminal offence (other than in connection with a traffic violation that does not result in imprisonment); (iii) Holder's habitual unlawful use (including being under the influence) or possession of illegal drugs on the Company's (or a parent of the Company's or a Subsidiary's) premises or while performing Holder's duties and responsibilities; (iv) Holder's commission at any time of any act of fraud, embezzlement, misappropriation, material misconduct, or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof); or (v) Holder's material breach of an Award Agreement or any other confidentiality, non-compete or non-solicitation covenant with the Company (or a parent of the Company or a Subsidiary, as applicable); provided that the Company (or a parent of the Company or a Subsidiary, as applicable) shall provide Holder with fifteen (15) days prior written notice before any termination due to (i) or (v) (other than to the extent that (i) relates to any fraud or intentional misconduct) with an opportunity to meet with the Board and discuss or cure any such alleged violation.

2.10 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.11 "Committee" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board which may be comprised of one or more Directors and/or executive officers of the Company as appointed by the Board, to the extent permitted in accordance with Applicable Law.

2.12 "Common Stock" shall mean the common stock of the Company.

2.13 "Company" shall have the meaning set forth in Article 1.

2.14 "Consultant" shall mean any consultant or adviser engaged to provide services to the Company or any parent of the Company or Subsidiary who qualifies as a consultant or advisor under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.

2.15 "Director" shall mean a member of the Board, as constituted from time to time.

2.16 "Director Limit" shall have the meaning set forth in Section 4.6.

2.17 "Disability" shall mean, except as otherwise provided in an Award Agreement, that the Holder is either (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (b) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Employees of the Company. For purposes of the Plan, a Holder shall be deemed to have incurred a Disability if the Holder is determined to be totally disabled by the Social Security Administration or in accordance with the applicable disability insurance program of the Company's, provided that the definition of "disability" applied under such disability insurance program complies with the requirements of this definition.

2.18 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 9.2.

2.19 "DRO" shall mean a "domestic relations order" as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.20 "Effective Date" shall mean the date the Plan is adopted by the Board, subject to approval of the Plan by the Company's stockholders.

2.21 "Eligible Individual" shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.22 "Employee" shall mean any officer or other employee (as determined in accordance with Section 3401(c) of the Code and the Treasury Regulations thereunder) of the Company or of any parent of the Company or Subsidiary.

2.23 "Equity Restructuring" shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per-share value of the Common Stock underlying outstanding Awards.

2.24 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.25 "Fair Market Value" shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market and the Nasdaq Global Select Market), (ii) listed on any national market system or (iii) quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. Notwithstanding the foregoing, if the Committee determines in its discretion that an alternative definition of Fair Market Value should be used in connection with the grant, exercise, vesting, settlement or payout of any Award, it may specify such alternative definition in the Award Agreement. Such alternative definition may include a price that is based on the opening, actual, high, low, or average selling prices of a Share on the applicable securities exchange on the given date, the trading date preceding the given date, the trading date next succeeding the given date, or an average of trading days.

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable.

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in its discretion.

2.26 "Greater Than 10% Stockholder" shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) or parent corporation thereof (as defined in Section 424(e) of the Code).

2.27 "Holder" shall mean a person who has been granted an Award.

2.28 "Incentive Stock Option" shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.29 "Incumbent Directors" shall mean for any period of 24 consecutive months, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 2.8(a) or 2.8(c)) whose election or nomination for election to the Board was approved by a vote of at least a majority (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for Director without objection to such nomination) of the Directors then still in office who either were Directors at the beginning of the 24-month period or whose election or nomination for election was previously so approved. No individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to Directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be an Incumbent Director.

2.30 "Non-Employee Director" shall mean a Director of the Company who is not an Employee.

2.31 "Non-Employee Director Equity Compensation Policy" shall have the meaning set forth in Section 4.6.

2.32 "Non-Qualified Stock Option" shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.33 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 5. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.34 "Option Term" shall have the meaning set forth in Section 5.4.

2.35 "Organizational Documents" shall mean, collectively, (a) the Company's articles of incorporation, certificate of incorporation, bylaws or other similar organizational documents relating to the creation and governance of the Company, and (b) the Committee's charter or other similar organizational documentation relating to the creation and governance of the Committee.

2.36 "Other Stock or Cash Based Award" shall mean a cash payment, cash bonus award, stock payment, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 9.1, which may include, without limitation, deferred stock, deferred stock units, performance awards, retainers, committee fees, and meeting-based fees.

2.37 "Performance Criteria" shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period. The Performance Criteria that may be used to establish Performance Goals may include, but are not limited to, the following: (i) net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue or sales or revenue growth; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital (or invested capital) and cost of capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs, reductions in costs and cost control measures; (xiv) expenses; (xv) working capital; (xvi) earnings or loss per share; (xvii) adjusted earnings or loss per share; (xviii) price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends); (xix) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xx) implementation or completion of critical projects; (xxi) market share; (xxii) economic value; and (xxiii) individual employee performance, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or other employees or to market performance indicators or indices.

2.38 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Subsidiary, division, business unit, or an individual. The achievement of each Performance Goal shall be determined with reference to Applicable Accounting Standards or other methodology as determined appropriate by the Administrator.

2.39 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder's right to, vesting of, and/or the payment in respect of, an Award.

2.40 "Permitted Transferee" shall mean, with respect to a Holder, any "family member" of the Holder, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

2.41 "Plan" shall have the meaning set forth in Article 1.

2.42 "Program" shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.43 "Restricted Stock" shall mean Common Stock awarded under Article 7 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

2.44 "Restricted Stock Units" shall mean the right to receive Shares awarded under Article 8.

2.45 "SAR Term" shall have the meaning set forth in Section 5.4.

2.46 "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.

2.47 "Securities Act" shall mean the Securities Act of 1933, as amended.

2.48 "Shares" shall mean shares of Common Stock.

2.49 "Stock Appreciation Right" shall mean an Award entitling the Holder (or other person entitled to exercise pursuant to the Plan) to exercise all or a specified portion thereof (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying (i) the difference obtained by subtracting (x) the exercise price per share of such Award from (y) the Fair Market Value on the date of exercise of such Award by (ii) the number of Shares with respect to which such Award shall have been exercised, subject to any limitations the Administrator may impose.

2.50 "Subsidiary" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.51 "Substitute Award" shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

2.52 "Termination of Service" shall mean the date the Holder ceases to be an Eligible Individual. The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise, or as otherwise required by Applicable Law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then-applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Holder's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Holder ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

ARTICLE 3.

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Sections 3.1(b) and 12.2, Awards may be made under the Plan covering an aggregate number of Shares equal to the sum of: (i) 5% of the Shares outstanding (on an as-converted basis) on the date the Plan is adopted by the Board, and (ii) an annual increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2032, equal to the lesser of (A) 5.0% of the Shares outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of Shares as determined by the Board; provided, however, no more than 10,456,769 Shares may be issued upon the exercise of Incentive Stock Options. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Common Stock, treasury Common Stock or Common Stock purchased on the open market.

(b) If any Shares subject to an Award are forfeited or expire, are converted to shares of another person in connection with a recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event, or such Award is settled for cash (in whole or in part) (including Shares repurchased by the Company under Section 7.4 at the same price paid by the Holder), the Shares subject to such Award shall, to the extent of such forfeiture, expiration, termination without distribution of Shares or cash settlement, again be available for future grants of Awards under the Plan. In addition, the following Shares shall be added to the Shares authorized for grant under Section 3.1(a) and shall again be available for future grants of Awards: (i) Shares tendered by a Holder or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Holder or withheld by the Company to satisfy any tax withholding obligation with respect to an Award; (iii) Shares subject to a Stock Appreciation Right or other stock-settled Award (including Awards that may be settled in cash or stock) that are not issued in connection with the settlement or exercise, as applicable, of the Stock Appreciation Right or other stock-settled Award; and (iv) Shares purchased on the open market by the Company with the cash proceeds received from the exercise of Options. Any Shares repurchased by the Company under Section 7.4 at the same price paid by the Holder so that such Shares are returned to the Company shall again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code. For the avoidance of doubt, Shares underlying Awards that are subject to the achievement of performance goals shall be counted against the Share reserve based on the target value of such Awards unless and until such time as such Awards become vested and settled in Shares.

(c) Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards shall not reduce the Shares authorized for grant under the Plan, except as may be required by reason of Section 422 of the Code, and Shares subject to such Substitute Awards shall not be added to the Shares available for Awards under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided in this Section 3.1(c)); provided that Awards using such available Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Subsidiaries immediately prior to such acquisition or combination.

ARTICLE 4.

GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. Except for any Non-Employee Director's right to Awards that may be required pursuant to the Non-Employee Director Equity Compensation Policy as described in Section 4.6, no Eligible Individual or other person shall have any right to be granted an Award pursuant to the Plan and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan or any Program shall be construed as mandating that any Eligible Individual or other person shall participate in the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award as determined by the Administrator in its sole discretion (consistent with the requirements of the Plan and any applicable Program). Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code. The Administrator, in its sole discretion, may grant Awards to Eligible Individuals that are based on one or more Performance Criteria or achievement of one or more Performance Goals or any such other criteria or goals as the Administrator shall establish.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional requirements or limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

4.4 At-Will Service. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of, or as a Director or Consultant for, the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge any Holder at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change all other terms and conditions of employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company or any Subsidiary.

4.5 Foreign Holders. Notwithstanding any provision of the Plan or applicable Program to the contrary, in order to comply with the Applicable Law in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with Applicable Law (including, without limitation, applicable foreign laws or listing requirements of any foreign securities exchange); (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3.1 or the Director Limit; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any foreign securities exchange.

4.6 Non-Employee Director Awards.

(a) Non-Employee Director Equity Compensation Policy. The Administrator, in its sole discretion, may provide that Awards granted to Non-Employee Directors shall be granted pursuant to a written nondiscretionary formula established by the Administrator (the "Non-Employee Director Equity Compensation Policy"), subject to the limitations of the Plan. The Non-Employee Director Equity Compensation Policy shall set forth the type of Award(s) to be granted to Non-Employee Directors, the number of Shares to be subject to Non-Employee Director Awards, the conditions on which such Awards shall be granted, become exercisable and/or payable and expire, and such other terms and conditions as the Administrator shall determine in its sole discretion. The Non-Employee Director Equity Compensation Policy may be modified by the Administrator from time to time in its sole discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time.

(b) Director Limit. Notwithstanding any provision to the contrary in the Plan or in the Non-Employee Director Equity Compensation Policy, the sum of the grant date fair value of Awards and the amount of any other fees granted to a Non-Employee Director during any calendar year shall not exceed $500,000 (the "Director Limit"). The Administrator may make exceptions to this limit for individual Non-Employee Directors in extraordinary circumstances, as the Administrator may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving Non-Employee Directors.

ARTICLE 5.

GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS

5.1 Granting of Options and Stock Appreciation Rights to Eligible Individuals. The Administrator is authorized to grant Options and Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine, which shall not be inconsistent with the Plan, including any limitations in the Plan that apply to Incentive Stock Options.

5.2 Qualification of Incentive Stock Options. The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. No person who qualifies as a Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year under the Plan, and all other plans of the Company and any parent corporation or subsidiary corporation thereof (as defined in Section 424(e) and 424(f) of the Code, respectively), exceeds $100,000, the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the immediately preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the Fair Market Value of stock shall be determined as of the time the respective options were granted. Any interpretations and rules under the Plan with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Holder, or any other person, (a) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (b) for any action or omission by the Company or the Administrator that causes an Option not to qualify as an Incentive Stock Option, including, without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option.

5.3 Option and Stock Appreciation Right Exercise Price. The exercise price per Share subject to each Option and Stock Appreciation Right shall be set by the Administrator, but shall not be less than 100% of the Fair Market Value of a Share on the date the Option or Stock Appreciation Right, as applicable, is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder, such price shall not be less than 110% of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Notwithstanding the foregoing, in the case of an Option or Stock Appreciation Right that is a Substitute Award granted following a transaction described in Code Section 424(a), the exercise price per share of the Shares subject to such Option or Stock Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Section 424 and Section 409A of the Code and the applicable Treasury regulations.

5.4 Option and SAR Term. The term of each Option (the "Option Term") and the term of each Stock Appreciation Right (the "SAR Term") shall be set by the Administrator in its sole discretion; provided, however, that the Option Term or SAR Term, as applicable, shall not be more than (a) ten (10) years from the date the Option or Stock Appreciation Right, as applicable, is granted to an Eligible Individual (other than a Greater Than 10% Stockholder), or (b) five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder or the first sentence of this Section 5.4 and without limiting the Company's rights under Section 10.7, the Administrator may extend the Option Term of any outstanding Option or the SAR Term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Options or Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder or otherwise, and may amend, subject to Section 10.7 and 12.1, any other term or condition of such Option or Stock Appreciation Right relating to such Termination of Service of the Holder or otherwise.

5.5 Option and SAR Vesting. The period during which the right to exercise, in whole or in part, an Option or Stock Appreciation Right vests in the Holder shall be set by the Administrator and set forth in the applicable Award Agreement. Notwithstanding the foregoing and unless determined otherwise by the Company, in the event that on the last business day of the term of an Option or Stock Appreciation Right (other than an Incentive Stock Option) with respect to which the applicable exercise price per Share is greater than the Fair Market Value of a Share as of such date, (a) the exercise of the Option or Stock Appreciation Right is prohibited by Applicable Law, as determined by the Company, or (b) Shares may not be purchased or sold by the applicable Holder due to any Company insider trading policy (including blackout periods) or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option or Stock Appreciation Right shall be extended until the date that is thirty (30) days after the end of the legal prohibition, black-out period or lock-up agreement, as determined by the Company; provided, however, in no event shall the extension last beyond the ten-year (10 year) term of the applicable Option or Stock Appreciation Right. Unless otherwise determined by the Administrator in the Award Agreement, the applicable Program or by action of the Administrator following the grant of the Option or Stock Appreciation Right, (i) no portion of an Option or Stock Appreciation Right which is unexercisable at a Holder's Termination of Service shall thereafter become exercisable and (ii) the portion of an Option or Stock Appreciation Right that is unexercisable at a Holder's Termination of Service shall automatically expire thirty (30) days following such Termination of Service.

5.6 Substitution of Stock Appreciation Rights; Early Exercise of Options. The Administrator may provide in the applicable Program or Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price, vesting schedule and remaining term as the substituted Option. The Administrator may provide in the terms of an Award Agreement that the Holder may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

ARTICLE 6.

EXERCISE OF OPTIONS AND STOCK APPRECIATION RIGHTS

6.1 Exercise and Payment. An exercisable Option or Stock Appreciation Right may be exercised in whole or in part. However, unless the Administrator otherwise determines, an Option or Stock Appreciation Right shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Option or Stock Appreciation Right, a partial exercise must be with respect to a minimum number of Shares. Payment of the amounts payable with respect to Stock Appreciation Rights pursuant to this Article 6 shall be in cash, Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

6.2 Manner of Exercise. Except as set forth in Section 6.3, all or a portion of an exercisable Option or Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, the stock plan administrator of the Company or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written notice of exercise in a form the Administrator approves (which may be electronic) complying with the applicable rules established by the Administrator. The notice shall be signed or otherwise acknowledge electronically by the Holder or other person then entitled to exercise the Option or Stock Appreciation Right or such portion thereof;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law.

(c) In the event that the Option shall be exercised pursuant to Section 10.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option or Stock Appreciation Right, as determined in the sole discretion of the Administrator; and

(d) Full payment of the exercise price and applicable withholding taxes for the Shares with respect to which the Option or Stock Appreciation Right, or portion thereof, is exercised, in a manner permitted by the Administrator in accordance with Sections 10.1 and 10.2.

6.3 Expiration of Option Term or SAR Term: Automatic Exercise of In-The-Money Options and Stock Appreciation Rights. If provided by the Administrator in an Award Agreement or otherwise or as otherwise directed by an Option or Stock Appreciation Rights Holder in writing to the Company, a vested and exercisable Option and Stock Appreciation Right outstanding on the Automatic Exercise Date with an exercise price per Share that is less than the Fair Market Value per Share as of such date may automatically and without further action by the Option or Stock Appreciation Rights Holder or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made pursuant to Section 10.1(b) or 10.1(c) and the Company or any Subsidiary shall be entitled to deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 10.2. For the avoidance of doubt, no Option or Stock Appreciation Right with an exercise price per Share that is equal to or greater than the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 6.3.

6.4 Notification Regarding Disposition. The Holder shall give the Company prompt written or electronic notice of any disposition or other transfers (other than in connection with a Change in Control) of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two (2) years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such Holder, or (b) one (1) year after the date of transfer of such Shares to such Holder. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Holder in such disposition or other transfer.

ARTICLE 7.

AWARD OF RESTRICTED STOCK

7.1 Award of Restricted Stock. The Administrator is authorized to grant Restricted Stock, or the right to purchase Restricted Stock, to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan or any applicable Program, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate. The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

7.2 Rights as Stockholders. Subject to Section 7.4, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Administrator, all of the rights of a stockholder with respect to said Shares, subject to the restrictions in the Plan, any applicable Program and/or the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares to the extent such dividends and other distributions have a record date that is on or after the date on which the Holder to whom such Restricted Stock are granted becomes the record holder of such Restricted Stock; provided, however, that, in the sole discretion of the Administrator, any extraordinary dividends or distributions with respect to the Shares may be subject to the restrictions set forth in Section 7.3. In addition, notwithstanding anything to the contrary herein, with respect to a share of Restricted Stock, dividends which are paid prior to vesting shall only be paid out to the Holder to the extent that the share of Restricted Stock vests.

7.3 Restrictions. All shares of Restricted Stock (including any shares received by Holders thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) and, unless the Administrator provides otherwise, any property (other than cash) transferred to Holders in connection with an extraordinary dividend or distribution shall be subject to such restrictions and vesting requirements as the Administrator shall provide in the applicable Program or Award Agreement.

7.4 Repurchase or Forfeiture of Restricted Stock. Except as otherwise determined by the Administrator, if no price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Holder's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration on the date of such Termination of Service. If a price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Company shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the applicable Program or Award Agreement.

7.5 Section 83(b) Election. If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxed under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof of the timely filing thereof with the Internal Revenue Service.

ARTICLE 8.

AWARD OF RESTRICTED STOCK UNITS

8.1 Grant of Restricted Stock Units. The Administrator is authorized to grant Awards of Restricted Stock Units to any Eligible Individual selected by the Administrator in such amounts and subject to such terms and conditions as determined by the Administrator. A Holder will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

8.2 Vesting of Restricted Stock Units. At the time of grant, the Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including, without limitation, vesting based upon the Holder's duration of service to the Company or any Subsidiary, one or more Performance Goals or other specific criteria, in each case on a specified date or dates or over any period or periods, as determined by the Administrator.

8.3 Maturity and Payment. At the time of grant, the Administrator shall specify the maturity date applicable to each grant of Restricted Stock Units, which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Holder (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, and subject to compliance with Section 409A, in no event shall the maturity date relating to each Restricted Stock Unit occur following the later of (a) the 15th day of the third (3rd) month following the end of the calendar year in which the applicable portion of the Restricted Stock Unit vests; and (b) the 15th day of the third (3rd) month following the end of the Company's fiscal year in which the applicable portion of the Restricted Stock Unit vests. On the maturity date, the Company shall, in accordance with the applicable Award Agreement and subject to Section 10.4(f), transfer to the Holder one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such Shares on the maturity date or a combination of cash and Shares as determined by the Administrator.

ARTICLE 9.

AWARD OF OTHER STOCK OR CASH BASED AWARDS AND DIVIDEND EQUIVALENTS

9.1 Other Stock or Cash Based Awards. The Administrator is authorized to grant Other Stock or Cash Based Awards, including Awards entitling a Holder to receive Shares or cash to be delivered immediately or in the future, to any Eligible Individual. Subject to the provisions of the Plan and any applicable Program, the Administrator shall determine the terms and conditions of each Other Stock or Cash Based Award, including the term of the Award, any exercise or purchase price, Performance Criteria and Performance Goals, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement. Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement, and/or as payment in lieu of compensation to which an Eligible Individual is otherwise entitled.

9.2 Dividend Equivalents. Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Holder and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Holder to the extent that the vesting conditions are subsequently satisfied and the Award vests.

ARTICLE 10.

ADDITIONAL TERMS OF AWARDS

10.1 Payment. The Administrator shall determine the method or methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash, wire transfer of immediately available funds or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such minimum period of time as may be established by the Administrator, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Holder has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (d) other form of legal consideration acceptable to the Administrator in its sole discretion, or (e) any combination of the above permitted forms of payment. Notwithstanding any other provision of the Plan to the contrary, no Holder who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

10.2 Tax Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Holder to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Holder's FICA, employment tax or other social security contribution obligation) required by law to be withheld with respect to any taxable event concerning a Holder arising as a result of the Plan or any Award. The Administrator may, in its sole discretion and in satisfaction of the foregoing requirement, or in satisfaction of such additional withholding obligations as a Holder may have elected, allow a Holder to satisfy such obligations by any payment means described in Section 10.1 hereof, including without limitation, by allowing such Holder to elect to have the Company or any Subsidiary withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares that may be so withheld or surrendered shall be limited to the number of Shares that have a Fair Market Value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the maximum statutory withholding rates in such Holder's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. The Administrator shall determine the Fair Market Value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

10.3 Transferability of Awards.

(a) Except as otherwise provided in Sections 10.3(b) and 10.3(c):

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than (A) by will or the laws of descent and distribution or (B) subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be liable for or otherwise subject to the debts, contracts or engagements of the Holder or the Holder's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 10.3(a)(i); and

(iii) During the lifetime of the Holder, only the Holder may exercise any exercisable portion of an Award granted to such Holder under the Plan, unless it has been disposed of pursuant to a DRO. After the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by the Holder's personal representative or by any person empowered to do so under the deceased Holder's will or under the then-Applicable Laws of descent and distribution.

(b) Notwithstanding Section 10.3(a), the Administrator, in its sole discretion, may determine to permit a Holder or a Permitted Transferee of such Holder to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Non-Qualified Stock Option) to any one or more Permitted Transferees of such Holder, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Holder or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award to any person other than another Permitted Transferee of the applicable Holder); (iii) the Holder (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer; and (iv) the transfer of an Award to a Permitted Transferee shall be without consideration. In addition, and further notwithstanding Section 10.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Holder to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and other Applicable Law, the Holder is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 10.3(a), a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Holder and any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as the Holder's beneficiary with respect to more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is delivered in writing to the Administrator prior to the Holder's death.

10.4 Conditions to Issuance of Shares.

(a) The Administrator shall determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined that the issuance of such Shares is in compliance with Applicable Law and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Holder make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with Applicable Law.

(b) All share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock).

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) Unless the Administrator otherwise determines, no fractional Shares shall be issued and the Administrator, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) The Company, in its sole discretion, may (i) retain physical possession of any stock certificate evidencing Shares until any restrictions thereon shall have lapsed and/or (ii) require that the stock certificates evidencing such Shares be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock power, endorsed in blank, relating to such Shares.

(f) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company may choose not to deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

10.5 Forfeiture and Claw-Back Provisions. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award and any payments of a portion of an incentive-based bonus pool allocated to a Holder) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, whether or not such claw-back policy was in place at the time of grant of an Award, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

10.6 Repricing. Subject to Section 12.2, the Administrator shall not, without the approval of the stockholders of the Company, (a) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per Share, or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per Share exceeds the Fair Market Value of the underlying Shares.

10.7 Amendment of Awards. Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Holder's consent to such action shall be required unless (a) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Holder, or (b) the change is otherwise permitted under the Plan (including, without limitation, under Section 12.2 or 12.10).

10.8 Lock-Up Period. The Company may, in connection with registering the offering of any Company securities under the Securities Act, prohibit Holders from, directly or indirectly, selling or otherwise transferring any Shares or other Company securities during a period of up to one hundred eighty (180) days following the effective date of a Company registration statement filed under the Securities Act, or such longer period as determined by the underwriter. In order to enforce the foregoing, the Company shall have the right to place restrictive legends on the certificates of any securities of the Company held by the Holder and to impose stop transfer instructions with the Company's transfer agent with respect to any securities of the Company held by the Holder until the end of such period.

10.9 Data Privacy. As a condition of receipt of any Award, each Holder explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 10.9 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Holder's participation in the Plan. The Company and its Subsidiaries may hold certain personal information about a Holder, including but not limited to, the Holder's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its Subsidiaries, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Holder's participation in the Plan, and the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company and its Subsidiaries in the implementation, administration and management of the Plan. These recipients may be located in the Holder's country, or elsewhere, and the Holder's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Holder authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Holder's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or any of its Subsidiaries or the Holder may elect to deposit any Shares. The Data related to a Holder will be held only as long as is necessary to implement, administer, and manage the Holder's participation in the Plan. A Holder may, at any time, view the Data held by the Company with respect to such Holder, request additional information about the storage and processing of the Data with respect to such Holder, recommend any necessary corrections to the Data with respect to the Holder or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel the Holder's ability to participate in the Plan and, in the Administrator's discretion, the Holder may forfeit any outstanding Awards if the Holder refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Holders may contact their local human resources representative.

ARTICLE 11.

ADMINISTRATION

11.1 Administrator. The Committee shall administer the Plan (except as otherwise permitted herein). To the extent required to comply with the provisions of Rule 16b-3 of the Exchange Act, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3. Additionally, to the extent required by Applicable Law, each of the individuals constituting the Committee shall be an "independent director" under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 11.1 or the Organizational Documents. Except as may otherwise be provided in the Organizational Documents or as otherwise required by Applicable Law, (a) appointment of Committee members shall be effective upon acceptance of appointment, (b) Committee members may resign at any time by delivering written or electronic notice to the Board and (c) vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (i) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and, with respect to such Awards, the term "Administrator" as used in the Plan shall be deemed to refer to the Board and (ii) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 11.6.

11.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan, all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend the Plan or any Program or Award Agreement; provided that the rights or obligations of the Holder of the Award that is the subject of any such Program or Award Agreement are not materially and adversely affected by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Section 10.7 or Section 12.10. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee in its capacity as the Administrator under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

11.3 Action by the Administrator. Unless otherwise established by the Board, set forth in any Organizational Documents or as required by Applicable Law, a majority of the Administrator shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan. Neither the Administrator nor any member or delegate thereof shall have any liability to any person (including any Holder) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award.

11.4 Authority of Administrator. Subject to the Organizational Documents, any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

(a) Designate Eligible Individuals to receive Awards;

(b) Determine the type or types of Awards to be granted to each Eligible Individual (including, without limitation, any Awards granted in tandem with another Award granted pursuant to the Plan);

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, purchase price, any Performance Criteria and/or Performance Goals, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and claw-back and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any Programs, rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement; and

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan.

11.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program or any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding and conclusive on all persons.

11.6 Delegation of Authority. The Board or Committee may from time to time delegate to a committee of one or more Directors or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article 11; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, or (b) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under any Organizational Documents and Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation or that are otherwise included in the applicable Organizational Documents, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 11.6 shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority.

11.7 Acceleration. Subject to the Organizational Documents, any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to accelerate, wholly or partially, the vesting or lapse of restrictions (and, if applicable, the Company shall cease to have a right of repurchase) of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Section 12.2.

ARTICLE 12.

MISCELLANEOUS PROVISIONS

12.1 Amendment, Suspension or Termination of the Plan.

(a) Except as otherwise provided in Section 12.1(b), the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; provided that, except as provided in Section 10.7 and Section 12.10, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, materially and adversely affect any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides.

(b) Notwithstanding Section 12.1(a), the Board may not, except as provided in Section 12.2, take any of the following actions without approval of the Company's stockholders given within twelve (12) months before or after such action: (i) increase the limit imposed in Section 3.1 on the maximum number of Shares which may be issued under the Plan, (ii) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan or take any action prohibited under Section 11.6, or (iii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award in violation of Section 10.6.

(c) No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and notwithstanding anything herein to the contrary, in no event may any Incentive Stock Option be granted under the Plan after the tenth (10^{th}) anniversary of the earlier of (i) the date on which the Plan was adopted by the Board and (ii) the date the Plan was approved by the Company's stockholders. The annual increase to the aggregate number of Shares that may be issued or transferred pursuant to Awards under the Plan (set forth in Section 3.1(a) hereof) shall terminate on the tenth (10^{th}) anniversary of the earlier of (i) the date on which the Plan was adopted by the Board and (ii) the date the Plan was approved by the Company's stockholders and, from and after such tenth (10^{th}) anniversary, no additional share increases shall occur pursuant to Section 3.1(a) hereof.

12.2 Changes in Common Stock or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Administrator may make equitable adjustments to reflect such change with respect to: (i) the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable Performance Criteria and Performance Goals with respect thereto); (iv) the grant or exercise price per share for any outstanding Awards under the Plan; and (v) the number and kind of Shares (or other securities or property) for which automatic grants are subsequently to be made to new and continuing Non-Employee Directors pursuant to any Non-Employee Director Compensation Policy adopted in accordance with Section 4.6.

(b) In the event of any transaction or event described in Section 12.2(a) or any unusual or nonrecurring transactions or events affecting the Company, any Subsidiary of the Company, or the financial statements of the Company or any Subsidiary, or of changes in Applicable Law or Applicable Accounting Standards, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in Applicable Law or Applicable Accounting Standards:

(i) To provide for the termination of any such Award in exchange for an amount of cash and/or other property with a value equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 12.2 the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment);

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iii) To make adjustments in the number and type of Shares of the Company's stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Program or Award Agreement;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 12.2(a) and 12.2(b):

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted (and the adjustments provided under this Section 12.2(c)(i) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company); and/or

(ii) The Administrator shall make such equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitation in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan).

(d) Notwithstanding any other provision of the Plan, in the event of a Change in Control, unless the Administrator elects to (i) terminate an Award in exchange for cash, rights or property, or (ii) cause an Award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, pursuant to Section 12.2, (A) such Award (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent Award (which may include, without limitation, an Award settled in cash) substituted by the successor corporation or a parent or subsidiary of the successor corporation and (B) the portion of such Award subject to performance-based vesting shall be subject to the terms and conditions of the applicable Award Agreement and, in the absence of applicable terms and conditions, the Administrator's discretion. In the event an Award continues in effect or is assumed or an equivalent Award substituted, and a Holder incurs a Termination of Service without "Cause" (as such term is defined in Section 2.9, or as set forth in the Award Agreement relating to such Award) upon or within twelve (12) months following the Change in Control, then, without limiting any other applicable provision set forth in any employment agreement or offer letter entered into by the Holder and the Company or a successor, such Holder shall be fully vested in such continued, assumed or substituted Award.

(e) In the event that the successor corporation in a Change in Control refuses to assume or provide a substitute for an Award, the Administrator may cause (i) any or all of such Award (or portion thereof) to terminate in exchange for cash, rights or other property pursuant to Section 12.2(b)(i) or (ii) any or all of such Award (or portion thereof) to become fully exercisable immediately prior to the consummation of such transaction and all forfeiture restrictions on any or all of such Award to lapse. If any such Award is exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the Holder that such Award shall be fully exercisable for a period of fifteen (15) days from the date of such notice, contingent upon the occurrence of the Change in Control, and such Award shall terminate upon the expiration of such period.

(f) For the purposes of this Section 12.2, an Award shall be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control was not solely common stock of the successor corporation or its parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to an Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per-share consideration received by holders of Common Stock in the Change in Control.

(g) The Administrator, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(h) Unless otherwise determined by the Administrator, no adjustment or action described in this Section 12.2 or in any other provision of the Plan shall be authorized to the extent it would (i) cause the Plan to violate Section 422(b)(1) of the Code, (ii) result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act, or (iii) cause an Award to fail to be exempt from or comply with Section 409A.

(i) The existence of the Plan, any Program, any Award Agreement and/or the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(j) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Common Stock including any Equity Restructuring, for reasons of administrative convenience, the Administrator, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to six (6) months prior to the consummation of any such transaction.

12.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan.

12.4 No Stockholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Holder shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

12.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

12.6 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company or any Subsidiary: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Subsidiary, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

12.7 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law (including but not limited to state, federal and foreign securities law and margin requirements), and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all Applicable Law. The Administrator, in its sole discretion, may take whatever actions it deems necessary or appropriate to effect compliance with Applicable Law, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars. Notwithstanding anything to the contrary herein, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to Applicable Law.

12.8 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

12.9 Governing Law. The Plan and any Programs and Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

12.10 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A, the Plan, the Program pursuant to which such Award is granted and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. In that regard, to the extent any Award under the Plan or any other compensatory plan or arrangement of the Company or any of its Subsidiaries is subject to Section 409A, and such Award or other amount is payable on account of a Holder's Termination of Service (or any similarly defined term), then (a) such Award or amount shall only be paid to the extent such Termination of Service qualifies as a "separation from service" as defined in Section 409A, and (b) if such Award or amount is payable to a "specified employee" as defined in Section 409A then to the extent required in order to avoid a prohibited distribution under Section 409A, such Award or other compensatory payment shall not be payable prior to the earlier of (i) the expiration of the six-month (6 month) period measured from the date of the Holder's Termination of Service, or (ii) the date of the Holder's death. To the extent applicable, the Plan, the Program and any Award Agreements shall be interpreted in accordance with Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A, the Administrator may (but is not obligated to), without a Holder's consent, adopt such amendments to the Plan and the applicable Program and Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (A) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (B) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A. In addition, for purposes of the Plan, each amount to be paid or benefit to be provided to the Holder of an Award pursuant to the Plan, which constitute deferred compensation subject to Section 409A, shall be construed as a separate identified payment for purposes of Section 409A. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 12.10 or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Holder or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

12.11 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company or any Subsidiary.

12.12 Indemnification. To the extent permitted under Applicable Law and the Organizational Documents, each member of the Administrator (and each delegate thereof pursuant to Section 11.6) shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan or any Award Agreement and against and from any and all amounts paid by him or her, with the Board's approval, in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf and, once the Company gives notice of its intent to assume such defense, the Company shall have sole control over such defense with counsel of the Company's choosing. The foregoing right of indemnification shall not be available to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of the person seeking indemnity giving rise to the indemnification claim resulted from such person's bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Organizational Documents, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

12.13 Relationship to Other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

12.14 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

Exhibit 4.8

Date: 16 December 2021

VERTICAL AEROSPACE LTD.

AVOLON WARRANT INSTRUMENT

LATHAM&WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710.1000
www.lw.com

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This Avolon Warrant Instrument (the "**Deed**") is made on 16 December 2021

BY:

VERTICAL AEROSPACE LTD., a Cayman Islands exempted company incorporated with limited liability, with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the "**Company**")

WHEREAS

A. (1) the Company; (2) Broadstone Acquisition Corp., a Cayman Islands exempted company ("**Purchaser**"); (3) Broadstone Sponsor LLP, a United Kingdom limited liability partnership, solely in its capacity as the Purchaser Representative; (4) Vertical Merger Sub Ltd., a Cayman Islands exempted company incorporated with limited liability ("**Merger Sub**"); (5) Vertical Aerospace Group Ltd., a company limited by shares incorporated in England under registration number 12590994 ("**Target**"); (6) Vincent Casey; and (7) the Company Shareholders (as defined in the BCA) entered into a business combination agreement (the "**BCA**") on 10 June 2021, pursuant to which, among other things, (a) Purchaser will merge with and into Merger Sub (the "**Merger**"), as a result of which (i) the separate corporate existence of Merger Sub shall cease and Purchaser shall continue as the surviving company and (ii) each issued and outstanding security of Purchaser immediately prior to the Merger Effective Time (as defined in the BCA) shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of the Company, and (b) Purchaser will acquire all of the issued and outstanding securities of Target in exchange for the right of the holders thereof to receive a substantially equivalent security of the Company (the "**Share Acquisition**" and, together with the Merger and the other transactions contemplated by the BCA, the "**Transactions**").

B. Avolon Aerospace Leasing Limited, registered number MC-236969 and whose registered office is at Number One Ballsbridge, Building One, Shelbourne Rd, Ballsbridge, Dublin 4 ("**AALL**") and Target entered into a partnership agreement dated 16 March 2021 (the "**Partnership Agreement**") pursuant to which, among other things, Target agreed to issue certain equity warrants to AALL.

C. AALL subsequently assigned certain of its rights and obligations in the Partnership Agreement to Avolon e Limited, an exempted company incorporated with limited liability and existing under the laws of the Cayman Islands, whose principal place of business is at Number One Ballsbridge, Building 1, Shelbourne Road, Ballsbridge, Dublin 4, Ireland ("**Avolon**").

D. In connection with the Transactions, and to give effect to Target's commitments under the Partnership Agreement, the Company has, by resolution of the Directors passed on or around the date hereof, resolved to create and issue the Warrants to the Warrantholders to subscribe for the Warrant Shares on the terms set out in this Deed.

E. The requisite number of Shareholders have irrevocably waived all pre-emption rights conferred on them (whether by the Act, the Articles or otherwise) in relation to the Company's issue of the Warrants to the Warrantholders to subscribe for the Warrant Shares and the Company's Shareholder(s) have given the Directors authority to allot the Warrant Shares, in each case on the terms set out in this Deed.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context otherwise requires, each of the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act (as revised) of the Cayman Island;

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person and, in respect of Avolon, includes any member of the Avolon Group;

"**Aircraft**" means any VA-X4 aircraft or derivative or successor aircraft developed by the Company Group;

"**Articles**" means the articles of association of the Company (as amended from time to time);

"**Avolon**" means Avolon e Limited, an exempted company incorporated with limited liability and existing under the laws of the Cayman Islands, whose principal place of business is at Number One Ballsbridge, Building 1, Shelbourne Road, Ballsbridge, Dublin 4, Ireland;

"**Avolon Group**" means Avolon Holdings Limited and each of its subsidiaries from time to time;

"**Beneficially Own**" and "**Beneficial Owner**" have the meaning given to such terms in Rule 13d-3 under the Exchange Act;

"**Binding Commitment**" means a firm, legally-binding commitment pursuant to which Avolon or any of its Affiliates has placed a firm order for Aircraft;

"**Binding Commitment Amount**" means the aggregate dollar amount of all Binding Commitments entered into within a particular Warrant C Period;

"**Binding Commitment Notice**" has the meaning ascribed to such term in Clause 3.2;

"**Business Day**" means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"**Certificate**" means a certificate evidencing a Warrantholder's entitlement to Warrant A1, Warrant A2, Warrant B1, Warrant B2, a Warrant C1 or a Warrant C2 (as applicable) (together with the Subscription Rights and all additional rights attached thereto) in the form, or substantially in the form, set out in Part 1 of Schedule 1;

"**Change of Control**" means the occurrence of any of the following: (a) the Company becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of any person or Group, becoming in a single transaction or a series of transactions, by way of merger, consolidation or other business combination, purchase or otherwise, the Beneficial Owner of more than 50.0% of the voting power of all of the Company's then-outstanding capital stock; or (b) the consummation of (1) any sale, lease or other transfer, in one transaction or a series of transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to any person or Group or (2) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition, liquidation or otherwise) all of the Shares is exchanged for, converted into, acquired for or constitutes solely the right to receive, other securities, cash or other property; provided, however, that any transaction in which the Company or any direct or indirect parent entity of the Company becomes a subsidiary of another person, or any transaction described in clause (b)(2) above, will not constitute a Change of Control if the persons beneficially owning all of the voting power of the common equity of the Company or such parent entity immediately prior to such transaction Beneficially Own, directly or indirectly through one or more intermediaries, more than 50.0% of all voting power of the common equity of the Company or such parent entity or the surviving, continuing or acquiring company or other transferee, as applicable, immediately following the consummation of such transaction,

in substantially the same proportions vis-à-vis each other immediately before such transaction (other than changes to such proportions solely as a result of the exercise of stock and/or cash elections in any merger or combination providing for elections), provided that, any transaction or event described in both clause (a) and in clause (b)(1) or (b)(2) of this definition will be deemed to occur solely pursuant to clause (b);

"**Chatsworth**" means Chatsworth Aviation Limited, a company incorporated under the laws of Ireland with registered number 543646;

"**Commission**" means the U.S. Securities and Exchange Commission;

"**Company Group**" means the Company and each of its subsidiaries from time to time;

"**Completion**" means completion of the Share Acquisition Closing pursuant to the BCA;

"**Completion Date**" means the Share Acquisition Closing Date;

"**Control**" of the relevant entity means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the relevant entity; (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the relevant entity; or (iii) give directions with respect to the operating and financial policies of the relevant entity with which the directors or other equivalent officers of such relevant entity are obliged to comply;

"**Directors**" means the duly appointed directors of the Company from time to time;

"**Encumbrance**" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect;

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended;

"**Fair Market Value**" of any asset as of any date of determination means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's length transaction;

"**Group**" shall mean any group of one or more persons if such group would be deemed a "group" as such term is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act;

"**Holder**" means the holder of a Registrable Security;

"**Indemnity**" means, where a Certificate has been mutilated, defaced, lost, stolen or destroyed, an indemnity in the place thereof in a form as the Directors may decide (in their sole discretion) against all losses which may be suffered or incurred directly or indirectly in connection with the mutilation, defacement, loss, theft or destruction of such Certificate;

"**Initial Registrable Securities**" has the meaning ascribed to such term in Clause 5.2;

"**Maples**" means Maples Trustee Services (Cayman) Limited, a Cayman Islands company with registered number 239659;

"**Notice of Exercise**" means a notice in the form set out in Part 2 of Schedule 1;

"**Ordinary Shares**" means the ordinary shares, with $0.0001 par value, in the capital of the Company from time to time having the rights set out in the Articles;

"**Outstanding Options**" means, at the relevant time, all outstanding options, warrants or other outstanding rights (whether or not conditional or contingent and assuming full performance of any performance linked rights), to subscribe for equity shares of the Company or securities which are convertible into equity shares of the Company, including any agreement or commitment of the Company to issue or grant any such options, warrants or right;

"**Person**" means an individual, company, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company,

association, trust or other entity or organisation, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof;

"**Pro Rata Amount**" means a percentage of Warrant C1 Shares or Warrant C2 Shares (as applicable) that is equal to the ratio of (i) the Binding Commitment Amount to (ii) $1.25 billion;

"**Register**" means the register of the Warrants maintained by the Company at its Registered Office;

"**Registered Office**" means the registered office of the Company from time to time;

"**Registrable Security**" shall mean the Warrant Shares (including any shares of capital stock or other securities of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of such Warrant Shares); provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (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 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; or (iv) such securities have been sold to, or through, a broker, dealer or Underwriter in a public distribution or other public securities transaction;

"**Registration Expenses**" shall mean the out-of-pocket expenses relating to 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 Ordinary Shares are then listed;

b) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters, if any, 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 a Demand Registration to be registered for offer and sale in the applicable Registration;

"**Shareholder(s)**" means all of the registered holders of the Shares from time to time;

"**Shares**" means the issued share capital of the Company from time to time;

"**Share Acquisition Closing**" has the meaning ascribed to such term in the BCA;

"**Share Acquisition Closing Date**" has the meaning ascribed to such term in the BCA;

"**Subscription Price**" means $0.0001 per Warrant Share subject to any adjustments pursuant to Clause 6.1;

"**Subscription Rights**" means, in the case of: (i) Warrant A1, the right to subscribe in cash at the Subscription Price for the Warrant A1 Shares; (ii) Warrant A2, the right to subscribe in cash at the Subscription Price for the Warrant A2 Shares; (iii) Warrant B1, the right to subscribe in cash at the Subscription Price for the Warrant B1 Shares; (iv) Warrant B2, the right to subscribe in cash at the Subscription Price for the Warrant B2 Shares; (v) a Warrant C1, the right to subscribe in cash at the Subscription Price for such number of Warrant C1 Shares as is indicated on the Certificate representing such warrant; and (vi) a Warrant C2, the right to subscribe in

cash at the Subscription Price for such number of Warrant C2 Shares as is indicated on the Certificate representing such warrant;

"**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 Registration**" or "**Underwritten Offering**" shall mean a Registration in which securities of the Company are sold to one or more Underwriters in a firm commitment underwriting for distribution to the public;

"**Warrant A1**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant A1 Shares;

"**Warrant A1 Shares**" means 3,827,000 Ordinary Shares;

"**Warrant A2**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant A2 Shares;

"**Warrant A2 Shares**" means 2,551,600 Ordinary Shares;

"**Warrant B1**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant B1 Shares;

"**Warrant B1 Shares**" means 2,259,000 Ordinary Shares;

"**Warrant B2**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant B2 Shares;

"**Warrant B2 Shares**" means 1,506,000 Ordinary Shares;

"**Warrant C Period**" means every three-month period, the first of which shall be the three-month period beginning on the Completion Date;

"**Warrant C1**" means each warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of such number of Warrant C1 Shares as is indicated on the Certificate representing such warrant;

"**Warrant C1 Shares**" means 2,259,000 Ordinary Shares;

"**Warrant C2**" means each warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of such number of Warrant C2 Shares as is indicated on the Certificate representing such warrant;

"**Warrant C2 Shares**" means 1,506,000 Ordinary Shares;

"**Warrant Shares**" means, in the case of: (i) Warrant A1, the Warrant A1 Shares; (ii) Warrant A2, the Warrant A2 Shares; (iii) Warrant B1, the Warrant B1 Shares; (iv) Warrant B2, the Warrant B2 Shares; (v) each Warrant C1, the Warrant C1 Shares represented by such warrant; and (vi) each Warrant C2, the Warrant C2 Shares represented by such warrant;

"**Warrantholder(s)**" means the relevant person(s) whose name(s) appear(s) in the Register as the respective holder(s) of the Warrants (as applicable) and, for any period during which the Warrants are not issued and outstanding under this Deed, means Chatsworth and Maples; and

"**Warrants**" means Warrant A1, Warrant A2, Warrant B1, Warrant B2, each Warrant C1 and each Warrant C2.

1.2 In this Deed, unless the context otherwise requires:

(a) references to:

(i) statutes or statutory provisions include references to any orders or regulations made thereunder and references to any statute, provision, order or regulation include references to that statute, provision, order or regulation as amended, modified, re-

enacted or replaced from time to time whether before or after the date hereof (subject as otherwise expressly provided herein) and to any

previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation;

(ii) "dollars" or "$" are references to the lawful currency from time to time of the United States of America;

(iii) clauses and schedules are references to clauses of, and the schedules to, this Deed;

(iv) writing shall include any modes of reproducing words in a legible and non-transitory form; and

(v) this Deed include this Deed as amended or varied in accordance with its terms;

(b) the index to and the headings to clauses and paragraphs of this Deed are for information only and shall not form part of the operative provisions of, and shall be ignored in construing, this Deed;

(c) words denoting the singular shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting persons shall include bodies corporate and unincorporated, associations, partnerships and individuals;

(d) the schedules form part of the operative provisions of this Deed and references to this Deed shall include references to the schedules;

(e) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(f) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

2. EFFECTIVENESS AND CONDITIONS

2.1 The issuance of the Warrants and the Warrantholders' right to exercise the Subscription Rights under the terms and subject to the conditions of this Deed shall be conditional upon (i) Completion and (ii) each Warrantholder entering into a lock-up agreement in respect of certain of the Warrant A1 Shares and the Warrant A2 Shares substantially in the form set out in Schedule 3.

2.2 The Warrants are issued subject to the Articles and the terms and conditions of this Deed, which are binding upon the Company and the Warrantholders. In the event of a conflict between the terms and conditions of this Deed and the Articles, this Deed shall prevail.

3. ISSUE OF THE WARRANTS

Warrant A1, Warrant A2, Warrant B1 and Warrant B2

3.1 Subject to Clause 2.1, immediately after Completion, the Company shall:

(a) issue (i) Warrant A1 and Warrant B1 to Maples and (ii) Warrant A2 and Warrant B2 to Chatsworth, in each case with the Subscription Rights attached thereto;

(b) provide each Warrantholder with a copy of the Articles and copies of Director and Shareholder resolutions and consents regarding:

(i) the Shareholders' waiver of all pre-emption rights in relation to the Company's issue of the Warrants; and

(ii) the Directors' authority to issue the Warrants;

(c) enter the name of (i) Maples in the Register as the holder of Warrant A1 and Warrant B1 and (ii) Chatsworth in the Register as the holder of Warrant A2 and Warrant B2; and

(d) within five (5) Business Days of entering the name of each Warrantholder in the Register: (i) deliver to each Warrantholder a copy of the Register; and (ii) issue to each Warrantholder, without charge, Certificates which shall be evidence of the entitlement to all rights attaching to Warrant A1, Warrant B1, Warrant A2 and Warrant B2 (as applicable).

Warrant C1 and Warrant C2

3.2 Within ten (10) Business Days of the end of a Warrant C Period during which a Binding Commitment(s) is entered into, Avolon shall send to the Company notice specifying the date on which the Binding Commitment(s) was entered into and the Binding Commitment Amount for such Warrant C Period with proof of the Binding Commitment(s) (the "**Binding Commitment Notice**").

3.3 Within five (5) Business Days of receipt of a Binding Commitment Notice, the Company shall:

(a) issue a Warrant C1 to Maples and a Warrant C2 to Chatsworth, in each case with the Subscription Rights attached thereto being calculated on the basis of the Pro Rata Amount for the relevant Warrant C Period;

(b) enter the name of (i) Maples in the Register as the holder of such Warrant C1 and (ii) Chatsworth in the Register as the holder of such Warrant C2; and

(c) (i) deliver to each Warrantholder a copy of the Register; and (ii) issue to each Warrantholder, without charge, a Certificate which shall be evidence of the entitlement to all rights attaching to such Warrant C1 and such Warrant C2 (as applicable).

4. EXERCISE OF SUBSCRIPTION RIGHTS

4.1 The Subscription Rights in respect of each Warrant, shall become exercisable immediately upon receipt of the relevant Certificate in respect of such Warrant pursuant to Clause 3.

4.2 Each Warrantholder agrees that it shall exercise the Subscription Rights in respect of each Warrant (as applicable) within ten (10) Business Days of the Subscription Rights becoming exercisable in respect of such Warrant pursuant to Clause 4.1.

4.3 For the avoidance of any doubt, the maximum amount of Warrant C1 Shares and Warrant C2 Shares exercisable in respect of all Warrant C1s and all Warrant C2s across all Warrant C Periods shall not exceed the aggregate Warrant C1 Shares and Warrant C2 Shares.

4.4 If and to the extent unexercised, the Subscription Rights in respect of all Warrants shall automatically be deemed to lapse on the date that is five (5) years after the Completion Date, and the Warrants shall automatically be deemed to be cancelled upon termination of this Deed.

4.5 Subject to the terms of this Deed, the Warrantholders may exercise the Subscription Rights in respect of a Warrant by:

(a) delivering to the Registered Office: (i) a duly completed and irrevocable Notice of Exercise in order to exercise the Subscription Rights in respect of the Warrants (as applicable); and (ii) its Certificate, or, as the case may be, an Indemnity in respect thereof; and

(b) paying the Subscription Price payable for the Warrant Shares in cash to the Company by such mode as the Company and the Warrantholder shall have previously agreed (including, but not limited to, wire transfer),

the delivery and payment of which is irrevocable.

4.6 Within five (5) Business Days of receipt of the Notice of Exercise, the Company shall instruct the transfer agent for the Shares (the "**Transfer Agent**") to record the issuance of the Warrant Shares subscribed for pursuant to the Notice of Exercise to the Warrantholder in book-entry form pursuant to the Transfer Agent's regular procedures. The Warrant Shares will be deemed to have been issued, and the Warrantholder will be deemed to have become a holder of record of such shares for all purposes, as of the date the Transfer Agent records such issuance.

5. REGISTRATION RIGHTS

5.1 For purposes of this Clause 5, the Warrant A1 Shares, the Warrant A2 Shares, Warrant B1 Shares and the Warrant B2 Shares included in the Registration Statement shall include, as of any date of determination, the Warrant A1 Shares, the Warrant A2 Shares, the Warrant B1 Shares and the Warrant B2 Shares and any other equity security of the Company issued or issuable with respect to the Warrant A1 Shares, Warrant A2 Shares, the Warrant B1 Shares and the Warrant B2 Shares by way of share division, stock split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event or otherwise.

5.2 The Company agrees that, within thirty (30) calendar days after Completion (the "**Filing Date**"), the Company will file with the Commission (at the Company's sole cost and expense) a registration statement (the "**Registration Statement**") registering the resale of the Warrant A1 Shares, the Warrant A2 Shares, the Warrant B1 Shares and the Warrant B2 Shares (together, the "**Initial Registrable Securities**"), and the Company shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but not later than the earlier of: (i) sixty (60) calendar days following the consummation of the Transactions; and (ii) ninety (90) calendar days following the consummation of the Transactions if the Commission notifies the Company that it will "review" the Registration Statement (such date, the "**Effectiveness Date**"); provided, however, that the Company's obligations to include the Initial Registrable Securities in the Registration Statement are contingent upon the holders of the Initial Registrable Securities (together, the "**Warrant Shareholders**") furnishing a completed and executed selling shareholders questionnaire in customary form to the Company that contains the information required by Commission rules for a Registration Statement regarding the Warrant Shareholders, the securities of the Company held by the Warrant Shareholders, and the intended method of disposition of the Initial Registrable Securities to effect the registration of the Initial Registrable Securities, and the Warrant Shareholders shall execute such documents in connection with such registration as the Company may reasonably request that are customary of a selling shareholder in similar situations, including providing that the Company shall be entitled to postpone and suspend the effectiveness or use of the Registration Statement as permitted hereunder; provided that Warrant Shareholders shall not, in connection with the foregoing, be required to execute any lock-up or similar agreement or otherwise be subject to any contractual restriction on the ability to transfer the Initial Registrable Securities, except that certain of the Warrant A1 Shares and the Warrant A2 Shares shall be subject to a lockup period. Any failure by the Company to file the Registration Statement by the Filing Date or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve the Company of its obligations to file or effect

the Registration Statement as set forth above in this Clause 5. Unless required under applicable laws and Commission rules, in no event shall the Warrant Shareholders be identified as a statutory underwriter in the Registration Statement; provided, that if the Warrant Shareholders are required to be so identified as a statutory underwriter in the Registration Statement, each Warrant Shareholder will have an opportunity to withdraw its Initial Registrable Securities from the Registration Statement.

5.3 In the case of registration effected by the Company pursuant to this Deed, the Company shall, upon reasonable request, inform the Warrant Shareholders as to the status of such registration. At its expense, the Company shall:

(a) except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption, or compliance under state securities laws which the Company determines to obtain, continuously effective with respect to the Warrant Shareholders, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of the following: (i) each Warrant Shareholder ceases to hold any Initial Registrable Securities; (ii) the date all Initial Registrable Securities held by each Warrant Shareholder may be sold without restriction under Rule 144, including without limitation, any volume and manner of sale restrictions which may be applicable to affiliates under Rule 144 and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) and (iii) two (2) years from the date of the effectiveness of the Registration Statement;

(b) advise each Warrant Shareholder as promptly as practicable, but in any event within five (5) Business Days:

(i) when a Registration Statement or any post-effective amendment thereto has become effective;

(ii) after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Initial Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Deed, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising the Warrant Shareholders of such events, provide the Warrant Shareholders with any material, nonpublic information regarding the Company other than to the extent that providing notice to the Warrant Shareholders of the occurrence of the events listed in (i) through (iv) above may constitute material, nonpublic information regarding the Company; the Warrant Shareholders hereby consent to receipt of any material, non-public information with respect to the occurrence of the events listed in (i) through (iv) of this Clause 5.3(b);

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(d) upon the occurrence of any event contemplated in Clause 5.3(b), except for such times as the Company is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement, the Company shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document, so that, as thereafter delivered to purchasers of the Initial Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) use its commercially reasonable efforts to cause all Shares (including the Initial Registrable Securities) to be listed on each securities exchange or market, if any, on which the Company's Ordinary Shares are then listed;

(f) use its commercially reasonable efforts to allow any Warrant Shareholder to review disclosure regarding such Warrant Shareholder in the Registration Statement and consider in good faith proposed revisions from such Warrant Shareholder (provided, that the use of such revisions in the Registration Statement shall always remain at the sole discretion of the Company); and

(g) use its commercially reasonable efforts to (x) take all other steps reasonably necessary to effect the registration of the Initial Registrable Securities contemplated herein and (y) take such further action as any Warrant Shareholder may reasonably request, all to the extent required from time to time to enable such Warrant Shareholder to sell Ordinary Shares (including the Initial Registrable Securities) held by such Warrant Shareholder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to the Company).

5.4 Notwithstanding anything to the contrary in this Deed, if the Commission prevents the Company from including in the Registration Statement any or all of the Shares due to limitations on the use of Rule 415 of the Securities Act for the resale of the Shares by the Warrant Shareholders, the Registration Statement shall register for resale such number of Shares which is equal to the maximum number of Shares as is permitted by the Commission. In such event, the number of Shares to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholder and as promptly as practicable after being permitted to register additional Shares under Rule 415 under the Securities Act, the Company shall use commercially reasonable efforts to amend the Registration Statement or file a new Registration Statement to register such Shares not included in the initial Registration Statement.

5.5 Notwithstanding anything to the contrary in this Deed, the Company shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require the Warrant Shareholders not to sell under the Registration Statement or to suspend the effectiveness thereof, (i) if it determines that in order for the Registration Statement to not contain any untrue statement of a material fact or omission of a material fact necessary to make the statements contained therein not misleading, an amendment thereto would be needed to include information that would at that time not otherwise be required in a current, quarterly, or annual report under the Exchange Act and is materially prejudicial or onerous for the Company

to include, (ii) if the negotiation or consummation of a transaction by the Company or its subsidiaries is pending or an event has occurred (which negotiation, consummation or event the Company's board of directors reasonably believes, upon the advice of legal counsel (which may be in-house counsel), would require additional disclosure by the Company in the Registration Statement of material information) that the Company has a *bona fide* business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of legal counsel (which may be in-house counsel), to cause the Registration Statement to fail to comply with applicable disclosure requirements or (iii) in the good faith judgment of the majority of the Company's board of directors, such filing or effectiveness or use of such Registration Statement, would be seriously detrimental to the Company and the majority of the Company's board of directors conclude as a result that it is essential to defer such filing because it would (x) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (y) require premature disclosure of material information that the Company has a *bona fide* business purpose for preserving as confidential, or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act (each such circumstance in subclauses (i) – (iii), a "**Suspension Event**"); provided, however, that the Company may not delay or suspend the Registration Statement on more than three (3) occasions or for more than ninety (90) consecutive calendar days or more than one hundred and twenty (120) total calendar days, in each case during any twelve (12) month period. Upon receipt of any written notice from the Company of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Warrant Shareholder agrees that (a) it will immediately discontinue offers and sales of the Shares under the Registration Statement until such Warrant Shareholder receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (b) it will maintain the confidentiality of any information included in such written notice delivered by the Company, except for disclosure to any Warrant Shareholder's employees, agents and professional advisors who need to know such information and are obligated to keep it confidential, unless otherwise required by law or court order. If so directed by the Company, each Warrant Shareholder will deliver to the Company or, in such Warrant Shareholder's sole discretion destroy, all copies of the prospectus covering the Shares in such Warrant Shareholder's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the Shares shall not apply (1) to the extent such Warrant Shareholder is required to retain a copy of such prospectus (A) in order to comply with applicable legal, regulatory, self-regulatory, or professional requirements, or (B) in accordance with a bona fide pre-existing document retention policy, or (2) to copies stored electronically on archival servers as a result of automatic data back-up.

5.6 Indemnification.

(a) The Company agrees to indemnify and hold harmless, to the extent permitted by law, each Warrantholder, its directors, officers, employees, advisers and agents, and each person who controls such Warrantholder (within the meaning of the Securities Act or the Exchange Act) and each affiliate of such Warrantholder (within the meaning of Rule 405 under the Securities Act) from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement 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 or on behalf of such Warrantholder expressly for use therein.

(b) Each Warrantholder agrees, severally and not jointly with any other selling shareholder under the Registration Statement, to indemnify and hold harmless the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Warrantholder expressly for use therein. In no event shall the liability of such Warrantholder be greater in amount than the dollar amount of the net proceeds received by such Warrantholder upon the sale of the Shares giving rise to such indemnification obligation.

(c) Any person entitled to indemnification herein shall (a) 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 prejudiced the indemnifying party) and (b) 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. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) The indemnification provided for under this Deed shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, affiliate or controlling person of such indemnified party and shall survive the transfer of the Shares received pursuant to this Deed.

(e) If the indemnification provided under this Clause 5.6 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. 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 this Clause 5.6, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. 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 Clause 5.6(e) from any person who was not guilty of such fraudulent misrepresentation. In no event shall the liability of a Warrantholder (together with any indemnification obligation under this Clause 5.6) be greater in amount than the dollar amount of the net proceeds received by such Warrantholder upon the sale of the Shares giving rise to such contribution obligation.

6. ADJUSTMENTS

6.1 Stock Dividends, Subdivision, Combinations and Consolidations. If the Company, at any time on or after the date of this Deed: (i) pays a stock dividend or makes a distribution on the Shares in the form of Shares, (ii) subdivides outstanding Shares into a larger number of shares, or (iii) combines or consolidates (including, without limitation, by reverse stock split) outstanding Shares into a smaller number of shares, then, in each case, the number of Shares issuable after such event upon exercise of the Subscription Rights in respect of the Warrants will be equal to the number of Shares issuable upon exercise of the Subscription Rights in respect of the Warrants prior to such event multiplied by a fraction of which the numerator will be the number of Shares outstanding immediately after such event and of which the denominator will be the number of Shares outstanding immediately before such event, and the Subscription Price will be proportionately adjusted such that the aggregate Subscription Price of the Warrant Shares will remain unchanged, provided that the Subscription Price shall not be less than the par value of the Shares. Any adjustment made pursuant to this Clause 6.1 shall be certified in writing by the Company's auditors (at the Company's expense) and the Warrantholders and will become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and will become effective immediately after the effective date in the case of a subdivision, combination or consolidation. The Company shall procure that the Register is updated accordingly within ten (10) Business Days of the date on which the adjustment became effective.

6.2 The Company shall procure that its auditors carry out the certification referred to in Clause 6.1 and that in carrying out the certification: (i) the Company's auditors shall act as an expert and not an arbitrator; (ii) the costs of the Company's auditors shall be borne by the Company; and (iii) the certification of the Company's auditors shall, except in the case of manifest error, be final and binding on the Company and the Warrantholders.

6.3 Reclassifications, Reorganizations, Consolidations and Mergers. In the event of (i) any capital reorganization of the Company, (ii) any reclassification or recapitalization of the stock of the Company (other than (A) a change in par value or from par value to no par value or from no par value to par value or (B) as a result of a stock dividend, subdivision, combination or consolidation of shares as to which Clause 6.1 will apply), or (iii) any Change of Control, consolidation or merger of the Company with or into another Person (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Shares then issuable upon exercise of the Subscription Rights in respect of the Warrants), the Warrants will, after such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, be exercisable for the kind and number of shares of stock or other securities or property ("**Alternate Consideration**") of the Company or of the successor

corporation resulting from such consolidation or surviving such merger, if any (and/or the issuer of the Alternate Consideration, as applicable) to which the holder of the number of Shares underlying the Warrants (at the time of such reorganization, reclassification, recapitalization, consolidation or merger) would have been entitled upon such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger. In such event, the aggregate Subscription Price otherwise payable for the Shares issuable upon exercise of the Subscription Rights in respect of the Warrants will be allocated among the Alternate Consideration receivable as a result of such reorganization, reclassification, recapitalization, Change of Control, consolidation, or merger in proportion to the respective Fair Market Value of such Alternate Consideration, but in a manner in which the aggregate Subscription Price of the Warrant Shares will remain materially unchanged. If and to the extent that the holders of Shares have the right to elect the kind or amount of consideration receivable upon consummation of such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, then the consideration that the Warrantholders will be entitled to receive upon exercise will be specified by each Warrantholder, which specification will be made by the Warrantholders by the later of (A) ten (10) Business Days after the Warrantholders are provided with a final version of all material information concerning such choice as is provided to the holders of Shares and (B) the last time at which the holders of Shares are permitted to make their specifications known to the Company; provided, however, that if a Warrantholder fails to make any specification within such time period, such Warrantholder's choice will be deemed to be whatever choice is made by a plurality of all holders of Shares that are not affiliated with the Company (or, in the case of a consolidation or merger, any other party thereto) and affirmatively make an election (or of all such holders if none of them makes an election). From and after any such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, all references to "Warrant Shares" and similar references herein will be deemed to refer to the Alternate Consideration to which the Warrantholders are entitled pursuant to this Clause 6.3. In the event of any Change of Control, consolidation or merger in which the Company is not the continuing or surviving corporation or entity (or is not the issuer of the Alternate Consideration), proper provision will be made so that such continuing or surviving corporation or entity (and/or the issuer of the Alternate Consideration) will agree to carry out and observe the obligations of the Company under the Warrants such that the provisions of this Clause 6.3 will similarly apply with respect to the Alternate Consideration and similarly apply to successive reorganizations, reclassifications, recapitalizations, Change of Control, consolidations, or mergers.

6.4 Calculations. All calculations under this Clause 6 will be made to the nearest cent or the nearest 1/100th of a Share, as the case may be. For the purposes of this Clause 6, the number of Shares deemed to be issued and outstanding as of a given date will be the sum of the number of Shares (excluding treasury shares, if any) issued and outstanding on such date.

6.5 Notice of adjustment. The Company shall send the Warrantholders notice of any adjustment made pursuant to Clause 6.1 as soon as practicable (and in any event within thirty (30) calendar days) following the relevant resolution of the Directors giving effect to or sanctioning the adjustment.

7. NO RIGHTS AS A SHAREHOLDER UNTIL EXERCISE

Except as expressly set forth in this Deed, the Warrants do not entitle the Warrantholders to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise of the Subscription Rights in respect of the Warrants as set forth in Clause 4.

8. WARRANTIES

8.1 The Company warrants to each Warrantholder that, as at the date of this Deed:

(a) the Company is validly incorporated, in existence and duly registered under the laws of the Cayman Islands;

(b) the Company's board of directors has authorised the execution of this Deed and has obtained the requisite authority, pursuant to the Act and the Articles, to issue the Warrants and to allot and issue the Warrant Shares as fully paid in accordance with its terms and, pursuant to that authorisation, the Company's board of directors may allot and issue the Warrant Shares as fully paid and free from pre-emption rights and any other Encumbrance (other than in relation to the lock-up agreement in respect of certain of the Warrant A1 Shares and the Warrant A2 Shares) upon exercise of the Subscription Rights;

(c) immediately following Completion, and assuming no redemptions in connection with the Merger: (1) the entire issued equity share capital of the Company; and (2) all of those shares in the capital of the Company which the Company is obliged to issue upon the exercise in full of all Outstanding Options shall be as set forth in columns 1 and 2, respectively, on Schedule 4; and

(d) the copies of the Articles provided to the Warrantholders are true, accurate and complete.

9. UNDERTAKINGS OF THE COMPANY

9.1 For so long as the Subscription Rights have not lapsed, the Company undertakes to:

(a) comply with the terms and conditions of this Deed and specifically, but without limitation, to do all such things and execute all such documents so far as it is lawfully able to the extent legally required in order to give effect to the Subscription Rights in accordance with the terms of this Deed;

(b) ensure that the Company has all necessary authorisations and approvals as will enable the Subscription Rights of the Warrantholders to be satisfied in full at any time;

(c) ensure that the Company's board of directors have the requisite authority from time to time to allot, free from pre-emption rights and any other Encumbrance (other than in relation to the lock-up agreement in respect of certain of the Warrant A1 Shares and the Warrant A2 Shares) or Outstanding Options such number of Shares from time to time required in order to satisfy the exercise of all outstanding Subscription Rights in respect of the Warrants in full;

(d) allot and issue any Warrant Shares pursuant to the terms and conditions of this Deed as fully paid, when subscribed for on the terms and conditions of this deed, and free from pre-emption rights and any other Encumbrances;

(e) maintain the Register in accordance with the provisions of Schedule 2;

(f) replace, without charge, a Certificate at the request of a Warrantholder if it is mutilated, defaced, lost, stolen or destroyed, provided that:

(i) the Warrantholder provides the Company with such evidence in respect of the mutilation, defacement, loss, theft or destruction as the Company may reasonably require;

(ii) the mutilated or defaced Certificate in respect of which a replacement is being sought is surrendered; and

(iii) the Warrantholder shall indemnify the Company on demand through the delivery of an Indemnity;

(g) not modify the rights attached to any Warrant Shares or Shares in a way which could reasonably be expected to have a material adverse effect on the rights of the Warrantholders relative to the rights of the other Shareholders or the value of the Warrants or of the Warrant Shares;

(h) notify the Warrantholders prior to allotting, issuing or granting any right to subscribe for, or to convert securities into, equity share capital of the Company not less than five (5) Business Days prior to such date;

(i) notify the Warrantholders prior to passing an effective resolution for liquidating, winding up or dissolving the Company not less than five (5) Business Days prior to such date; and

(j) not purchase, and procure that no member of the Company Group will purchase, Warrants unless an offer to purchase is made pro rata to all Warrantholders.

10. LIQUIDATION

If, prior to the exercise of the Subscription Rights, an effective resolution is passed for winding up or dissolution of the Company, then the Warrantholders: (i) will be treated as if, immediately before the date of such order or resolution, the Warrantholders had exercised all the Subscription Rights; and (ii) shall be entitled to receive out of the assets, which would otherwise be available in the liquidation, such sum (if any) as the Warrantholders would have received had the exercise in full of the Subscription Rights entitled the Warrantholders to subscribe for Warrant Shares, after deducting from such sum an amount equal to the Subscription Price which would have been payable upon such exercise.

11. VARIATION OF RIGHTS

11.1 Subject to Clause 11.2, none of the rights attached to the Warrants (including the Subscription Rights) nor any other provision of this Deed may (whether or not the Company is being wound up) be altered or abrogated without the prior written consent of the Company and the Warrantholders. An agreed alteration may be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to this Deed.

11.2 Modifications to this Deed which are of a purely formal, minor or technical nature which do not prejudice in any way the rights of the Warrantholders, may be made by deed and signed as a deed by the Company, and a copy of such deed shall be provided to the Warrantholders within five (5) Business Days of the date of its execution.

12. TRANSFER

The Warrantholder may not sell, assign, transfer, pledge or dispose of any portion of the Warrant without the prior written consent of the Company.

13. TERMINATION

13.1 Subject to Clause 13.2 below, this Deed shall cease and terminate immediately upon the earlier of:

(a) the date that is five (5) years from the Completion Date;

(b) the date the Subscription Rights lapse and/or the Warrants are cancelled pursuant to the terms of this Deed or as otherwise agreed in writing by the Company and the Warrantholders; or

(c) the date the Warrantholders receive the sum (if any) it would be entitled to pursuant to Clause 10 or notice that such sum is nil.

13.2 Any cessation and termination pursuant to Clause 13.1 shall:

(a) be without prejudice to the rights, obligations or liabilities of any party which shall have accrued or arisen prior to such cessation and termination; and

(b) not affect the rights and obligations of the Company or the Warrantholders under Clauses 1, 13, 14, 15, 18, 20, and 21.

14. CONFIDENTIALITY

14.1 The Warrantholders shall not use any confidential information relating to the Company for any purpose other than to perform its obligations, or to exercise their rights, under this Deed.

14.2 The Warrantholders shall keep confidential any information received by them in their capacity as Warrantholders which is of a confidential nature, including the existence of or contents of this Deed, or any confidential information relating to the business, affairs, customers, clients or suppliers of the Company or the Group except:

(a) to the extent the information is in the public domain through no fault of the Warrantholders;

(b) as shall be required by law or by any regulatory authority to which the Warrantholders are subject or by the rules of any stock exchange upon which the Warrantholders' securities are listed or traded;

(c) to the beneficiaries of any trust or nominee arrangement on whose behalf the Warrants may be held; and

(d) as shall be required by:

(i) any lender to the Company;

(ii) the Company's auditors and/or any other professional advisers of the Company; and

(iii) the Warrantholders' professional advisers and to the professional advisers of any person to whom the Warrantholders are entitled to disclose information pursuant to this Deed,

provided that the recipient is subject to an obligation to keep the information confidential on the same basis as is required by the Warrantholders pursuant to this Deed.

14.3 The Company shall keep confidential any information received by it in connection with this Deed, or any confidential information relating to a Warrantholder except:

(a) as shall be required by law or by any regulatory authority to which the Company is subject or by the rules of any stock exchange upon which the Company's securities are listed or traded; and

(b) as shall be required by:

(i) any lender to the Company;

(ii) the Company's auditors and/or any other professional advisers of the Company; and

(iii) the professional advisers of any person to whom the Company is entitled to disclose information pursuant to this Deed,

provided that the recipient is subject to an obligation to keep the information confidential on the same basis as is required by the Company pursuant to this Deed.

15. NOTICES

Any notice to be given to or by a party for the purposes of this Deed shall be given in accordance with the provisions of Schedule 2.

16. ELECTRONIC EXECUTION

This Deed and any Certificate issued hereunder may be executed by way of third party internationally recognised electronic signature software programs, such as DocuSign.

17. INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, then such provision shall be deemed to be severed from this Deed and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the Company and the Warrantholders and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Deed.

18. REMEDIES AND WAIVERS

Except as otherwise provided under this Deed, no failure to exercise, nor any delay in exercising, on the part of any party, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of any party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

19. PROCESS AGENT

19.1 Without prejudice to any other permitted mode of service, the parties agree that service of any claim form, notice or other document for the purpose of or in connection with any action or proceeding in England or Wales arising out of or in any way relating to this Deed shall be duly served upon:

(a) the Company if it is delivered personally or sent by recorded or special delivery post (or any substantially similar form of mail) to Vertical Aerospace Group Ltd., 140-142 Kensington Church Street, London, England W8 4BN, marked for the attention of Legal Department or such other person and address in England or Wales as such party shall notify the Warrantholders in writing from time to time; and

(b) a Warrantholder if it is delivered personally or sent by recorded or special delivery post (or any substantially similar form of mail) to the Warrantholder Process Agent (as

defined in Schedule 2 attached hereto) of such Warrantholder entered into the Register or such other person and address in England or Wales as such party shall notify the Company in writing from time to time,in each case whether or not such claim form, notice or other document is forwarded to the relevant party or received by such party.

20. GOVERNING LAW AND JURISDICTION

This Deed and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum. For the purposes of this Clause 20, "**Dispute**" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Deed, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Deed or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Deed.

21. THIRD PARTY RIGHTS

Save for the Warrantholders, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such act to apply to any of its terms.

SCHEDULE 1
FORM OF CERTIFICATE AND NOTICE OF EXERCISE

Part 1

FORM OF CERTIFICATE

VERTICAL AEROSPACE LTD.

(the "**Company**")

WARRANT CERTIFICATE

WARRANT [A1][A2][B1][B2][C1][C2]

Warrant Certificate Number ____

This is to certify that the person named below is the Warrantholder for the purpose of the warrant instrument issued by the Company on 16 December 2021 (the "**Warrant Instrument**") and has the right to subscribe in cash at the Subscription Price for [●][1] Warrant [A1][A2][B1][B2][C1][C2] Shares on the terms set out in the Warrant Instrument. This Warrant [A1][A2][B1][B2][C1][C2] is issued with the benefit of, and subject to, the provisions contained in the Warrant Instrument. Unless the context otherwise requires, terms defined in the Warrant Instrument shall have the same meanings in this certificate.

Warrantholder in respect of Warrant [A1][A2][B1][B2][C1][C2]:

Name:

[Maples Trustee Services (Cayman) Limited, a Cayman Islands company with registered number 239659]

[Chatsworth Aviation Limited, a company incorporated under the laws of Ireland with registered number 543646]

Address:

[PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands]

[Number One Ballsbridge, Building 1, Shelbourne Rd, Ballsbridge, Dublin 4]

Date of Issue: _____2021

EXECUTED and **DELIVERED** as a **DEED** by **VERTICAL AEROSPACE LTD.**, acting by two directors:

[●] Director	[●] Director

[1] **Note to draft**: Number of Warrant Shares to be included here.

Notes:

(1) The Subscription Rights are not transferable except in accordance with the Warrant Instrument.

(2) A copy of the Warrant Instrument may be obtained on request from Vertical Aerospace Ltd. at the Registered Office.

(3) THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, REPRESENTS, ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT: (I) IT HAS ACQUIRED A "RESTRICTED" SECURITY WHICH HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT; (II) IT WILL OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY ONLY (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT) MEETING THE REQUIREMENTS OF RULE 904 OF THE SECURITIES ACT, (C) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION; AND (III) IT WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THIS SECURITY OF THE RESALE RESTRICTIONS SET FORTH IN (II) ABOVE. EACH OFFER, SALE OR OTHER DISPOSITION PURSUANT TO THE FOREGOING CLAUSES (II) (B), (C) AND (D) IS SUBJECT TO THE RIGHT OF THE COMPANY TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER INFORMATION ACCEPTABLE TO IT IN FORM AND SUBSTANCE.

Part 2

FORM OF EXERCISE NOTICE

NOTICE OF EXERCISE

To: The Directors

VERTICAL AEROSPACE LTD.

140-142 Kensington Church Street, London, England W8 4BN

Capitalised terms used but not defined in this Notice of Exercise shall have the meaning given to them in the warrant instrument issued by the Company on 16 December 2021.

We hereby exercise the Subscription Rights in respect of the Warrant [A1][A2][B1][B2][C1][C2] Shares represented by the Certificate (or an indemnity in the place thereof in a form as the Directors may decide (in their sole discretion)) appended hereto and attach [insert method of payment agreed by the Company] for [$] being the aggregate Subscription Price payable in respect of the Subscription Rights we are exercising. We agree that the Warrant [A1][A2][B1][B2][C1][C2] Shares are accepted subject to the Articles.

We direct the Company to allot to us the ordinary shares to be issued pursuant to this exercise in the following numbers:

No of Ordinary Shares	Name of Warrantholder	Address of Warrantholder

[We request that a Certificate for any balance of our Warrants be sent to [*address*], marked for the attention of [*name*].]

Signed _____
Print Name _____
Address _____
_____

SCHEDULE 2
REGISTER AND NOTICES

1. REGISTER

1.1 The Company shall keep the Register at the Registered Office, or such other location as it may in its absolute discretion determine, and enter in the Register:

(a) the names, addresses and email addresses of the Warrantholders;

(b) the name and address of each Warrantholder's process agent located in England or Wales (a "**Warrantholder Process Agent**") as notified to the Company in writing prior to receipt of a Certificate, which shall be used for the service of any claim form, order, judgment or other document relating to or in connection with any proceeding, suit or action arising out of or in connection with this Deed;

(c) the number of the Warrants held by the Warrantholders (as applicable);

(d) the number of Warrant Shares to which the Warrantholders are entitled if the Subscription Rights were exercised (as applicable) as adjusted in accordance with this Deed from time to time;

(e) the date on which the names of the Warrantholders are entered in the Register in respect of the Warrants (as applicable);

(f) the date on which the Warrantholder exercises the Subscription Rights; and

(g) any transfer of the Warrants duly made in accordance with this Deed (as applicable).

1.2 Any change in the name or address of the Warrantholders shall be notified as soon as practicable to the Company, which shall cause the Register to be altered accordingly. The Warrantholders or any person authorised by the Warrantholders shall be at liberty at all reasonable times during office hours and upon five (5) Business Days' notice to inspect the Register and to take copies of it.

1.3 The Company shall be entitled to treat the persons whose names are shown in the Register as the absolute owners of the Warrants (as applicable) and, accordingly, shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to, or interest in, the Warrants (as applicable) on the part of any other person whether or not it shall have express or other notice thereof.

1.4 Every Warrantholder shall be recognised by the Company as entitled to his/her Warrants free from any equity, set off or cross claim on the part of the Company against the original or any intermediate holder of such Warrants.

2. NOTICES

2.1 Any notice to be given under this Deed shall be in writing, in English and shall be delivered by hand, by courier or by e-mail to:

(a) if within the United Kingdom, by first class pre-paid post, in which case it shall be deemed to have been given two (2) Business Days after the date of posting;

(b) if from or to any place outside the United Kingdom, by air courier, in which case it shall be deemed to have been given two (2) Business Days after its delivery to a representative of the courier; and

(c) by e-mail, in which case it shall be deemed to have been given when despatched subject to confirmation of delivery by a delivery receipt,provided that in the case of any notice despatched other than on a Business Day between the hours of 9:30 a.m. to 5:30 p.m. London time shall be deemed to have been given at 9:30 a.m. on the next Business Day.

2.2 Notices under this Deed shall be sent for the attention of the person and to the address, or e-mail address, subject to paragraph 2.3 of this Schedule 2, as set out below:

(a) in the case of the Company:

Name: Vertical Aerospace Ltd.

For the attention of: Legal Department

Address: 140-142 Kensington Church Street London, England W8 4BN

E-mail address: #######@#####

(b) in the case of the Warrantholders (as applicable), to the address of the Warrantholders shown in the Register or, if no address is shown in the Register, to their last known place of business or residence.

2.3 The Company may notify the Warrantholders, and the Warrantholders may notify the Company, of any change to their address or other details specified in this paragraph 2 of Schedule 2 provided that such notification shall only be effective on the date specified in such notice or five (5) Business Days after the notice is given, whichever is later.

2.4 If no address has been notified to the Company by the Warrantholders, any notice, demand or other communication given or made under or in connection with the matters contemplated by this Deed may be given to such Warrantholder by the Company by exhibiting it for three (3) Business Days at the Registered Office.

2.5 Any person who becomes entitled to the Warrants (as applicable) (whether by operation of law, transfer or otherwise) shall be bound by every notice given in respect of the Warrants before its name and address is entered on the Register.

SCHEDULE 3
FORM OF LOCK-UP AGREEMENT

See attached.

LOCK-UP AGREEMENT

THIS LOCK-UP AGREEMENT (the "**Agreement**") is made and entered into as of December 16, 2021 between [●] (the "***Holder***") and Vertical Aerospace Ltd., a Cayman Islands exempted company incorporated with limited liability, with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("***Pubco***"). The Holder and Pubco are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**". Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Business Combination Agreement (as defined below).

WHEREAS, Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 and having its registered office at 140-142 Kensington Church Street, London, England W8 4BN (the "***Company***"), Pubco and Broadstone Acquisition Corp., a Cayman Islands exempted company ("***Broadstone***") among others, entered into a business combination agreement, dated June 10, 2021 (the "***Business Combination Agreement***").

WHEREAS, Avolon Aerospace Leasing Limited, registered number MC-236969 and whose registered office is at Number One Ballsbridge, Building One, Shelbourne Rd, Ballsbridge, Dublin 4 ("***AALL***") and the Company entered into a partnership agreement dated 16 March 2021 (the "***Partnership Agreement***") pursuant to which, among other things, the Company agreed to issue certain equity warrants to AALL.

WHEREAS, AALL subsequently assigned certain of its rights and obligations in the Partnership Agreement to Avolon e Limited, an exempted company incorporated with limited liability and existing under the laws of the Cayman Islands, whose principal place of business is at Number One Ballsbridge, Building 1, Shelbourne Road, Ballsbridge, Dublin 4, Ireland ("***Avolon***").

WHEREAS, to give effect to the Company's commitments under the Partnership Agreement, Pubco has, by resolution of its directors passed on or around the date hereof, resolved to create and issue Pubco warrants (the "**Warrants**") to the Holder on the terms set out in the Avolon Warrant Instrument, dated as of the date hereof.

WHEREAS, upon consummation of the transactions contemplated by the Business Combination Agreement and the Avolon Warrant Instrument, the Holder will hold an entitlement under Warrant [●] (as defined in the Avolon Warrant Instrument) to subscribe for [●] Pubco Ordinary Shares (together with any securities paid as dividends or distributions with respect to such Pubco Ordinary Shares (for the avoidance of any doubt, excluding (1) Pubco Ordinary Shares acquired in the public market after the Closing Date (2) Pubco Ordinary Shares acquired in a private placement concurrently with the consummation of the Share Acquisition, (3) Pubco Ordinary Shares subscribed for pursuant to the other Warrants issued under the Avolon Warrant Instrument and (4) Pubco Ordinary Shares acquired pursuant to a transaction exempt from registration under the Securities Act), the "***Warrant Shares***").

WHEREAS, pursuant to the Partnership Agreement and the Avolon Warrant Instrument, and in view of the valuable consideration to be received by the Holder thereunder, Pubco and the Holder desire to enter into this Agreement, pursuant to which the Lock-Up Shares (as defined below) shall become subject to the limitations on disposition and other restrictions as set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, which are incorporated in this Agreement as if fully set forth below, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. For the purposes of this Agreement:

(a) the term "***Closing Date***" means the date on which the Share Acquisition Closing takes place;

(b) the term "***Immediate Family***" means, with respect to any natural person, any of the following: such person's spouse, the siblings of such person and his or her spouse, and the direct descendants and ascendants (including adopted and step children and parents) of such person and his or her spouses and siblings;

(c) the term "***Lock-Up Period***" means the period beginning on the Closing Date and ending on the date that is three (3) years after the Closing Date;

(d) the term "***Lock-Up Shares***" means an amount of Pubco Ordinary Shares equal to ninety percent (90%) of the Warrant Shares, such number of Warrant Shares being set forth in column B on Schedule 1;

(e) the term "***Other Lock-Up Agreement***" means any other lock-up agreement with respect to Pubco Ordinary Shares to be entered into in connection with the transactions contemplated by the Business Combination Agreement;

(f) the term "***Permitted Transferees***" means any Person to whom the Holder is permitted to transfer Lock-Up Shares prior to the expiration of the Lock-Up Period pursuant to Section 2(a); and

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

2. Lock-Up Provisions.

(a) Notwithstanding the provisions set forth in Section 2(b), the Holder or any of its Permitted Transferees may Transfer any or all of the Lock-Up Shares during the Lock-Up Period: (i) to the Holder's officers or directors; (ii) to any Affiliate(s) of the Holder; (iii) in respect of (i) or (ii), in the case of an individual, by gift to a member of such individual's Immediate Family or to a trust, the beneficiary of which is a member of such individual's Immediate Family or to a charitable organization; (iv) in respect of (i), (ii) or (iii), in the case of an individual, by virtue of laws of descent and distribution upon death of such individual or pursuant to operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; (v) in the case of a Holder (or any Permitted Transferee) that is a corporation, partnership, limited liability company, trust or other business entity, to any partners (general or limited), beneficiaries, members, managers, shareholders or holders of similar equity interests in the Holder (or, in each case, its nominee or custodian) or any of their Affiliates; (vi) by virtue of any binding law or order of a governmental entity or by virtue of the Holder's organizational documents upon liquidation or dissolution of the Holder; (vii) for the purposes of granting a pledge(s) of Lock-Up Shares as security or collateral in connection with any borrowing or the incurrence of any indebtedness by the Holder (provided such borrowing or incurrence of indebtedness is secured by a portfolio of assets or equity interests issued by multiple issuers); or (viii) pursuant to a bona fide tender offer, merger, consolidation or other similar transaction, in each case made to all holders of Pubco Ordinary Shares, involving a change of Control (including negotiating and entering into an agreement providing for any such transaction) provided, however, that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Holder's shares shall remain subject to the provisions of Section 2(b), provided further, that in the case of clauses (i) through (vii), these Permitted Transferees must enter into a written agreement agreeing to be bound by the provisions set forth in Section 2(b).

(b) The Holder hereby agrees that it shall not, and shall cause any of its Permitted Transferees not to, Transfer any Lock-Up Shares during the Lock-Up Period (the "***Transfer Restriction***"), except in accordance with the following:

(i) the Transfer Restriction shall expire with respect to [●] Lock-Up Shares (together with any securities paid as dividends or distributions with respect to such Lock-Up Shares) (the "***First Tranche***") on the date that is one (1) year after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche after such date);

(ii) the Transfer Restriction shall expire with respect to an additional [●] Lock-Up Shares (together with any securities paid as dividends or distributions with respect to such Lock-Up Shares) (the "***Second Tranche***") on the date that is two (2) years after the

Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche and the Second Tranche after such date);

(iii) the Transfer Restriction shall expire with respect to an additional [●] Lock-Up Shares (together with any securities paid as dividends or distributions with respect to such Lock-Up Shares) on the date that is three (3) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to any Lock-Up Shares after such date).

(c) Notwithstanding the foregoing, if at any time the closing price of the Pubco Ordinary Shares equals or exceeds $15.00 per share (as adjusted for share capital subdivisions, mergers, consolidations, dividends, reorganizations, recapitalizations and the like) for any twenty (20) trading days within any thirty (30) trading day period that commences at least two (2) years after the Closing Date, then the Transfer Restrictions with respect to all Lock-Up Shares shall cease to apply.

(d) During the Lock-Up Period, each certificate (if any are issued) evidencing any Lock-Up Shares shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN A LOCK-UP AGREEMENT, DATED AS OF December 16, 2021, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "**ISSUER**") AND THE ISSUER'S SECURITY HOLDER NAMED THEREIN, AS AMENDED. A COPY OF SUCH LOCK-UP AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

Promptly upon the Transfer Restriction ceasing to apply in respect of a particular tranche of Lock-Up Shares in accordance with Section 2(b), Pubco shall take all reasonable steps required to remove such legend from the certificates evidencing the relevant Lock-Up Shares, including issuing new share certificates in respect of the relevant Lock-Up Shares.

(e) For the avoidance of any doubt, the Holder shall retain all of its rights as a shareholder of Pubco with respect to the Lock-Up Shares during the Lock-Up Period, including the right to vote, and to receive any dividends and distributions in respect of, any Lock-Up Shares.

3. Miscellaneous.

(a) Adjustment. The share prices referenced in this Agreement will be equitably adjusted on account of any changes in the equity securities of Pubco by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or business combination, or by any other means.

(b) Transfers. If any Transfer is made or attempted contrary to the provisions of this Agreement, such Transfer shall be null and void ab initio, and Pubco shall refuse to recognize any such transferee of the Lock-Up Shares as one of its equity holders for any purpose. In order to enforce this Section 3(b), Pubco may impose stop-transfer instructions with respect to any relevant Lock-Up Shares (and any permitted transferees and assigns thereof), as applicable, until the end of the Lock-Up Period.

(c) Termination of the Business Combination Agreement. Notwithstanding anything to the contrary contained herein, in the event that the Business Combination Agreement is terminated in accordance with its terms prior to the Closing Date, this Agreement and all rights and obligations of the Parties hereunder shall automatically terminate and be of no further force or effect.

(d) Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Except as otherwise provided in this Agreement, this Agreement and all obligations of the Parties are personal to the Parties and may not be transferred or delegated by the Parties at any time.

(e) Third Parties. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any person or entity that is not a Party hereto or thereto or a successor or permitted assign of such a Party.

(f) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement, for and on behalf of itself or any of its properties or assets, in accordance with this Section 3(f) or in such other manner as may be permitted by applicable law, that such process may be served in the manner of giving notices in Section 3(i) and that nothing in this Section 3(f) shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

(g) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3(g).

(h) Interpretation. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement. In this Agreement, unless the context otherwise requires: (i) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (ii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words "without limitation"; (iii) the words "herein," "hereto," and "hereby" and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular section or other subdivision of this Agreement; and (iv) the term "or" means "and/or". The Parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (i) in person, (ii) by e-mail (having obtained electronic delivery confirmation thereof), (iii) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (iv) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, *provided*, *however*, that notice given pursuant

to clauses (iii) and (iv) above shall not be effective unless a duplicate copy of such notice is also given in person or by e-mail (having obtained electronic delivery confirmation thereof), in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to Pubco, to:	*With a copy to (which shall not constitute notice):*
Vertical Aerospace Ltd. 140-142 Kensington Church Street London, England W8 4BN United Kingdom ######@#######	Latham & Watkins (London) LLP 99 Bishopsgate London, EC2M 3XF United Kingdom Attn: David Stewart and Robbie McLaren Email: ###### @##### and ######@######
If to the Holder, to:	*With a copy to (which shall not constitute notice):*
[●]	[●]

(j) Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of Pubco and the Holder. No failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

(k) Other Lock-Up Agreements. Pubco hereby agrees that: (i) if, after the date hereof, any Other Lock-Up Agreement is amended, modified or waived in a manner favorable to a Company Shareholder or the Sponsor (as applicable) and a similar amendment, modification or waiver would also be favorable to the Holder in relation to the terms of this Agreement, this Agreement shall be contemporaneously amended in the same manner and Pubco shall provide prompt notice thereof to the Holder; and (ii) if any Company Shareholder or the Sponsor (as applicable) is released (including through the termination of the relevant Other Lock-Up Agreement) from any or all of the lock-up restrictions under its respective Other Lock-Up Agreement, other than in accordance with the terms of such Other Lock-Up Agreement, the Holder will be similarly and contemporaneously released from the applicable lock-up restrictions hereunder and Pubco shall provide prompt notice hereof to the Holder.

(l) Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

(m) Specific Performance. The Holder acknowledges that its obligations under this Agreement are unique, recognizes and affirms that in the event of a breach of this Agreement by the Holder, money damages will be inadequate and Pubco will have no adequate remedy at law, and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Holder in accordance with their specific terms or were otherwise breached. Accordingly, Pubco shall be entitled to an injunction or restraining order to prevent breaches of this Agreement by the Holder and to enforce specifically the terms and provisions hereof, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

(n) Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the subject matter hereof, and any other written or oral agreement relating

to the subject matter hereof existing between the Parties is expressly canceled; *provided*, that, for the avoidance of doubt, the foregoing shall not affect the rights and obligations of the Parties under the Business

Combination Agreement or any Ancillary Document. Notwithstanding the foregoing, nothing in this Agreement shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under any other agreement between the Holder and Pubco, or any certificate or instrument executed by the Holder in favor of Pubco, and nothing in any other agreement, certificate or instrument shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under this Agreement.

(o) Further Assurances. From time to time, at another Party's request and without further consideration (but at the requesting Party's reasonable cost and expense), each Party shall execute and deliver such additional documents and take all such further action as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

(p) Counterparts; Facsimile. This Agreement may also be executed and delivered by facsimile signature or by email in portable document format in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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SCHEDULE 4

	(1) Issued	(2) Outstanding Options
Shares	225,325,674	97,609,567

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED and **DELIVERED** as a **DEED** by **VERTICAL AEROSPACE LTD.**, acting by two directors:

/s/ Stephen Fitzpatrick	/s/ Vincent Casey
Stephen Fitzpatrick Director	Vincent Casey Director

(Signature page to the Avolon Warrant Instrument)

Exhibit 4.9

Date: 16 December 2021

VERTICAL AEROSPACE LTD.

AMERICAN WARRANT INSTRUMENT

LATHAM&WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710.1000

www.lw.com

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This instrument (the "**Deed**") is made on 16 December 2021

BY:

VERTICAL AEROSPACE LTD., a Cayman Islands exempted company incorporated with limited liability, with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the "**Company**")

WHEREAS

A. (1) the Company; (2) Broadstone Acquisition Corp., a Cayman Islands exempted company ("**Purchaser**"); (3) Broadstone Sponsor LLP, a United Kingdom limited liability partnership, solely in its capacity as the Purchaser Representative; (4) Vertical Merger Sub Ltd., a Cayman Islands exempted company incorporated with limited liability ("**Merger Sub**"); (5) Vertical Aerospace Group Ltd., a company limited by shares incorporated in England under registration number 12590994 ("**Target**"); (6) Vincent Casey; and (7) the Company Shareholders (as defined in the BCA) entered into a business combination agreement (the "**BCA**") on 10 June 2021, pursuant to which, among other things, (a) Purchaser will merge with and into Merger Sub (the "**Merger**"), as a result of which (i) the separate corporate existence of Merger Sub shall cease and Purchaser shall continue as the surviving company and (ii) each issued and outstanding security of Purchaser immediately prior to the Merger Effective Time (as defined in the BCA) shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of the Company, and (b) Purchaser will acquire all of the issued and outstanding securities of Target in exchange for the right of the holders thereof to receive a substantially equivalent security of the Company (the "**Share Acquisition**").

B. American Airlines, Inc., a Delaware corporation ("**AA**"), and Target entered into a memorandum of understanding dated 10 June 2021 (the "**MOU**"), which contemplates the issuance by the Company of certain equity warrants to AA.

C. In connection with the transactions contemplated by the BCA, AA has agreed to subscribe for equity in the Company pursuant to a subscription agreement dated 10 June 2021 (the "**PIPE**" and, together with the Merger, the Share Acquisition and the other transactions contemplated by the BCA, the "**Transactions**").

D. In connection with the Transactions, the Company has, by resolution of the Directors passed on or around the date hereof, resolved to create and issue the Warrants to the Warrantholder to subscribe for the Warrant Shares on the terms set out in this Deed.

E. The requisite number of Shareholders have irrevocably waived all pre-emption rights conferred on them (whether by the Act, the Articles or otherwise) in relation to the Company's issue of the Warrants to the Warrantholder to subscribe for the Warrant Shares and the Company's Shareholder(s) have given the Directors authority to allot the Warrant Shares, in each case on the terms set out in this Deed.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context otherwise requires, each of the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act (as revised) of the Cayman Island;

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person;

"**Aircraft**" means any VA-X4 aircraft or derivative or successor aircraft developed by the Company Group;

"**Aircraft Purchase Agreement**" has the meaning set forth in Recital B above;

"**Articles**" means the articles of association of the Company (as amended from time to time);

"**Beneficially Own**" and "**Beneficial Owner**" have the meaning given to such terms in Rule 13d-3 under the Exchange Act;

"**Binding Commitment**" means a firm, legally-binding commitment pursuant to which AA or any of its Affiliates has placed a firm order for fifty (50) Aircraft, or any combination of such commitments that results in an order, without duplication, for fifty (50) Aircraft, in each case pursuant to the terms and conditions of the Purchase Agreement (as defined in the MOU) entered into pursuant to the MOU or pursuant such other terms and conditions mutually agreed by the parties thereto;

"**Binding Commitment Notice**" has the meaning ascribed to such term in Clause 3.2;

"**Business Day**" means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London and New York, New York, U.S.A. (other than a Saturday or Sunday);

"**Certificate**" means a certificate evidencing a Warrantholder's entitlement to Warrant A, Warrant B, Warrant C, Warrant D, Warrant E or Warrant F (as applicable) (together with the Subscription Rights and all additional rights attached thereto) in the form, or substantially in the form, set out in Part 1 of Schedule 1;

"**Certification Date Notice**" means a notice in writing, to be sent by the Company to the Warrantholders notifying them of the Expected Certification Date, pursuant to Clause 5.2

"**Change of Control**" means the occurrence of any of the following: (a) the Company becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of any person or Group, becoming in a single transaction or a series of transactions, by way of merger, consolidation or other business combination, purchase or otherwise, the Beneficial Owner of more than 50.0% of the voting power of all of the Company's then-outstanding capital stock; or (b) the consummation of (1) any sale, lease or other transfer, in one transaction or a series of transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to any person or Group or (2) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition, liquidation or otherwise) all of the Shares is exchanged for, converted into, acquired for or constitutes solely the right to receive, other securities, cash or other property; provided, however, that any transaction in which the Company or any direct or indirect parent entity of the Company becomes a subsidiary of another person, or any transaction described in clause (b)(2) above, will not constitute a Change of Control if the persons beneficially owning all of the voting power of the common equity of the Company or such parent entity immediately prior to such transaction Beneficially Own, directly or indirectly through one or more intermediaries, more than 50.0% of all voting power of the common equity of the Company or such parent entity or the surviving, continuing or acquiring company or other transferee, as applicable, immediately following the consummation of such transaction, in substantially the same proportions vis-à-vis each other immediately before such transaction (other than changes to such proportions solely as a result of the exercise of stock and/or cash elections in any merger or combination providing for elections), provided that, any transaction or event described in both clause (a) and in clause (b)(1) or (b)(2) of this definition will be deemed to occur solely pursuant to clause (b);

"**Commercial Warrant**" means each of Warrant B, Warrant C, Warrant D, Warrant E and Warrant F;

"**Commission**" means the U.S. Securities and Exchange Commission;

"**Company Group**" means the Company and each of its subsidiaries from time to time;

"**Completion**" means completion of the Share Acquisition Closing pursuant to the BCA;

"**Completion Date**" means the Share Acquisition Closing Date;

"**Control**" of the relevant entity means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the relevant entity; (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the relevant entity; or (iii) give directions with respect to the operating and financial policies of the relevant entity with which the directors or other equivalent officers of such relevant entity are obliged to comply;

"**Directors**" means the duly appointed directors of the Company from time to time;

"**Encumbrance**" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect;

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended;

"**Expected Certification Date**" has the meaning ascribed to such term in Clause 5.2(a);

"**Fair Market Value**" of any asset as of any date of determination means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's length transaction;

"**Group**" shall mean any group of one or more persons if such group would be deemed a "group" as such term is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act;

"**Holder**" means the holder of a Registrable Security;

"**Indemnity**" means, where a Certificate has been mutilated, defaced, lost, stolen or destroyed, an indemnity in the place thereof in a form as the Directors may decide (in their sole discretion) against all losses which may be suffered or incurred directly or indirectly in connection with the mutilation, defacement, loss, theft or destruction of such Certificate;

"**Initial Registrable Securities**" has the meaning ascribed to such term in Clause 6.2;

"**Long Stop Date**" has the meaning ascribed to such term in Clause 4.3;

"**MOU**" has the meaning set forth in Recital B above;

"**New Long Stop Date**" has the meaning ascribed to such term in Clause 5.2;

"**Notice of Exercise**" means a notice in the form set out in Part 2 of Schedule 1;

"**Ordinary Shares**" means the ordinary shares, with $0.0001 par value, in the capital of the Company from time to time having the rights set out in the Articles;

"**Outstanding Options**" means, at the relevant time, all outstanding options, warrants or other outstanding rights (whether or not conditional or contingent and assuming full performance of any performance linked rights), to subscribe for equity shares of the Company or securities which are convertible into equity shares of the Company, including any agreement or commitment of the Company to issue or grant any such options, warrants or right;

"**Person**" means an individual, company, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organisation, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof;

"**Register**" means the register of the Warrants maintained by the Company at its Registered Office;

"**Registered Office**" means the registered office of the Company from time to time;

"**Registrable Security**" shall mean the Warrant Shares (including any shares of capital stock or other securities of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of such Warrant Shares); provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (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 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; or (iv) such securities have been sold to, or through, a broker, dealer or Underwriter in a public distribution or other public securities transaction;

"**Registration Expenses**" shall mean the out-of-pocket expenses relating to 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 Ordinary Shares are then listed;

b) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters, if any, 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 a Demand Registration to be registered for offer and sale in the applicable Registration;

"**Shareholder(s)**" means all of the registered holders of the Shares from time to time;

"**Shares**" means the issued share capital of the Company from time to time;

"**Share Acquisition Closing**" has the meaning ascribed to such term in the BCA;

"**Share Acquisition Closing Date**" has the meaning ascribed to such term in the BCA;

"**Subscription Price**" means $0.0001 per Warrant Share subject to any adjustments pursuant to Clause 7.1;

"**Subscription Rights**" means, in the case of: (i) Warrant A, the right to subscribe in cash at the Subscription Price for the Warrant A Shares; (ii) Warrant B, the right to subscribe in cash at the Subscription Price for the Warrant B Shares; (iii) Warrant C, the right to subscribe in cash at the Subscription Price for the Warrant C Shares; (iv) Warrant D, the right to subscribe in cash at the Subscription Price for the Warrant D Shares; (v) Warrant E, the right to subscribe in cash at the Subscription Price for the Warrant E Shares; and (vi) Warrant F, the right to subscribe in cash at the Subscription Price for the Warrant F Shares;

"**Type Certification**" means type certification by the European Union Aviation Safety Agency of the Aircraft as a small category (up to nine (9) passengers and a MTOW of 3,175 kilograms/7,000 pounds) vertical take-off and landing aircraft powered by an electric propulsion system;

"**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 Registration**" or "**Underwritten Offering**" shall mean a Registration in which securities of the Company are sold to one or more Underwriters in a firm commitment underwriting for distribution to the public;

"**Warrant A**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant A Shares;

"**Warrant A Shares**" means 2,625,000 Ordinary Shares;

"**Warrant B**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant B Shares;

"**Warrant B Shares**" means 1,750,000 Ordinary Shares;

"**Warrant C**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant C Shares;

"**Warrant C Shares**" means 1,750,000 Ordinary Shares;

"**Warrant D**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant D Shares;

"**Warrant D Shares**" means 1,750,000 Ordinary Shares;

"**Warrant E**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant E Shares;

"**Warrant E Shares**" means 1,750,000 Ordinary Shares;

"**Warrant F**" means the warrant issued by the Company in accordance with this Deed and all rights conferred by it, including the Subscription Rights, in respect of the Warrant F Shares;

"**Warrant F Shares**" means 1,750,000 Ordinary Shares;

"**Warrant Shares**" means, in the case of: (i) Warrant A, the Warrant A Shares; (ii) Warrant B, the Warrant B Shares; (iii) Warrant C, the Warrant C Shares; (iv) Warrant D, the Warrant D Shares; (v) Warrant E, the Warrant E Shares; and (vi) Warrant F, the Warrant F Shares;

"**Warrantholder(s)**" means the relevant person(s) whose name(s) appear(s) in the Register as the respective holder(s) of the Warrants (as applicable) and, for any period during which the Warrants are not issued and outstanding under this Deed, means AA; and

"**Warrants**" means Warrant A, Warrant B, Warrant C, Warrant D, Warrant E and Warrant F.

1.2 In this Deed, unless the context otherwise requires:

(a) references to:

(i) statutes or statutory provisions include references to any orders or regulations made thereunder and references to any statute, provision, order or regulation include references to that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date hereof (subject as otherwise expressly provided herein) and to any previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation;

(ii) "dollars" or "$" are references to the lawful currency from time to time of the United States of America;

(iii) clauses and schedules are references to clauses of, and the schedules to, this Deed;

(iv) writing shall include any modes of reproducing words in a legible and non-transitory form; and

(v) this Deed include this Deed as amended or varied in accordance with its terms;

(b) the index to and the headings to clauses and paragraphs of this Deed are for information only and shall not form part of the operative provisions of, and shall be ignored in construing, this Deed;

(c) words denoting the singular shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting persons shall include bodies corporate and unincorporated, associations, partnerships and individuals;

(d) the schedules form part of the operative provisions of this Deed and references to this Deed shall include references to the schedules;

(e) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(f) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

2. EFFECTIVENESS AND CONDITIONS

2.1 The issuance of the Warrants and the Warrantholders' right to exercise the Subscription Rights shall be subject to the terms and conditions of this Deed.

2.2 When issued, the Warrants are subject to the Articles and the terms and conditions of this Deed, which are binding upon the Company and the Warrantholders. In the event of a conflict between the terms and conditions of this Deed and the Articles, this Deed shall prevail.

3. ISSUE OF THE WARRANTS

Warrant A

3.1 Subject to Clause 2.1, immediately after Completion, the Company shall:

(a) issue Warrant A to AA, in each case with the Subscription Rights attached thereto;

(b) provide AA with a copy of the Articles and copies of Director and Shareholder resolutions and consents regarding:

(i) the Shareholders' waiver of all pre-emption rights in relation to the Company's issue of Warrant A; and

(ii) the Directors' authority to issue Warrant A;

(c) enter the name of AA in the Register as the holder of Warrant A; and

(d) within five (5) Business Days of entering the name of AA in the Register: (i) deliver to AA a copy of the Register; and (ii) issue to AA, without charge, a Certificate which shall be evidence of the entitlement to all rights attaching to Warrant A.

Commercial Warrants

3.2 Within ten (10) Business Days of a Binding Commitment being entered into, AA shall send to the Company notice specifying the date on which the Binding Commitment was entered into with proof of the Binding Commitment (the "**Binding Commitment Notice**"). Failure to send the Company the Binding Commitment Notice within such 10 Business Day period shall not cause AA to lose the right to receive any portion of the Commercial Warrant.

3.3 Within five (5) Business Days of receipt of a Binding Commitment Notice, the Company shall:

(a) issue a Commercial Warrant to AA with the Subscription Rights attached thereto as follows:

(i) with respect to the first Binding Commitment Notice, Warrant B shall be issued;

(ii) with respect to the second Binding Commitment Notice, Warrant C shall be issued;

(iii) with respect to the third Binding Commitment Notice, Warrant D shall be issued;

(iv) with respect to the fourth Binding Commitment Notice, Warrant E shall be issued; and

(v) with respect to the fifth Binding Commitment Notice, Warrant F shall be issued;

(b) enter the name of AA in the Register as the holder of the Commercial Warrant issued; and

(c) (i) deliver to AA a copy of the Register; and (ii) issue to AA, without charge, a Certificate which shall be evidence of the entitlement to all rights attaching to such Commercial Warrant (as applicable).

4. EXERCISE OF SUBSCRIPTION RIGHTS

4.1 The Subscription Rights in respect of each Warrant, shall become exercisable immediately upon receipt of the relevant Certificate in respect of such Warrant pursuant to Clause 3.

4.2 Each Warrantholder agrees that it shall exercise the Subscription Rights in respect of each Warrant (as applicable) within ten (10) Business Days of the Subscription Rights becoming exercisable in respect of such Warrant pursuant to Clause 3.

4.3 Subject to the extension of the Long Stop Date to the New Long Stop Date in accordance with Clause 5, if and to the extent unexercised, the Subscription Rights in respect of all Warrants shall automatically be deemed to lapse on the date that is five (5) years after the date of Type Certification (the "**Long Stop Date**"), and the Warrants shall automatically be deemed to be cancelled upon termination of this Deed.

4.4 Subject to the terms of this Deed, the Warrantholders may exercise the Subscription Rights in respect of a Warrant by:

(a) delivering to the Registered Office: (i) a duly completed and irrevocable Notice of Exercise in order to exercise the Subscription Rights in respect of the Warrants (as applicable); and (ii) its Certificate, or, as the case may be, an Indemnity in respect thereof; and

(b) paying the Subscription Price payable for the Warrant Shares in cash to the Company by such mode as the Company and the Warrantholder shall have previously agreed (including, but not limited to, wire transfer),

the delivery and payment of which is irrevocable.

4.5 Within five (5) Business Days of receipt of the Notice of Exercise, the Company shall instruct the transfer agent for the Shares (the "**Transfer Agent**") to record the issuance of the Warrant Shares subscribed for pursuant to the Notice of Exercise to the Warrantholder in book-entry form pursuant to the Transfer Agent's regular procedures. The Warrant Shares will be deemed to have been issued, and the Warrantholder will be deemed to have become a holder of record of such shares for all purposes, as of the date the Transfer Agent records such issuance.

5. ADJUSTMENT OF LONG STOP DATE

5.1 The Long Stop Date shall be adjusted to a later date if:

(a) the Company publicly announces or discloses a change to the expected date of Type Certification, which, as at the date of this Deed, is 31 December 2024; and/or

(b) the Company's board of directors determine, acting in good faith, that a change to the expected date of Type Certification is reasonably likely.

5.2 Within five (5) Business Days of the date of any announcement, disclosure and/or determination (as applicable) referred to in Clause 5.1, the Company shall send the Warrantholders a Certification Date Notice specifying:

(a) the new expected date of Type Certification (the "**Expected Certification Date**"); and

(b) the new Long Stop Date, which shall be the date that is twenty-seven (27) months after the Expected Certification Date (the "**New Long Stop Date**").

5.3 Upon receipt of the Certification Date Notice all references to "Long Stop Date" in this Deed shall be replaced by "New Long Stop Date".

5.4 For the purpose of making any announcement, disclosure and/or determination pursuant to Clause 5.1 about any change to the expected date of Type Certification, the Company's board of directors shall monitor and actively consider any potential changes to the expected date of Type Certification. Furthermore, the Expected Certification Date shall be consistent with the most recent public announcements or disclosures made by the Company in respect of the date of Type Certification.

5.5 If a Warrantholder disagrees with: (i) the Company's assessment of the expected date of the Type Certification; (ii) an announcement, disclosure and/or determination made by the Company's board of directors pursuant to Clause 5.1; or (iii) the Expected Certification Date set out in a Certification Date Notice, the Warrantholder and the Company shall jointly appoint a suitably qualified independent assessor (who shall act as an expert and not an arbitrator) to determine the Expected Certification Date and, if the assessor's determination is different to that of the Company's board of directors, the Company's board of directors shall be required to accept such assessor's determination in recording and agreeing the Expected Certification Date pursuant to this Clause 5.

6. REGISTRATION RIGHTS

6.1 For purposes of this Clause 6, the Warrant A Shares included in the Registration Statement shall include, as of any date of determination, Warrant A and any other equity security of the Company issued or issuable with respect to the Warrant A Shares by way of share division, stock split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event or otherwise.

6.2 The Company agrees that, within thirty (30) calendar days after Completion (the "**Filing Date**"), the Company will file with the Commission (at the Company's sole cost and expense)

a registration statement (the "**Registration Statement**") registering the resale of the Warrant A Shares (the "**Initial Registrable Securities**"), and the Company shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but not later than the earlier of: (i) sixty (60) calendar days following the consummation of the Transactions; and (ii) ninety (90) calendar days following the consummation of the Transactions if the Commission notifies the Company that it will "review" the Registration Statement (such date, the "**Effectiveness Date**"); provided, however, that the Company's obligations to include the Initial Registrable Securities in the Registration Statement are contingent upon the holders of the Warrant A Shares (the "**Warrant A Shareholders**") furnishing a completed and executed selling shareholders questionnaire in customary form to the Company that contains the information required by Commission rules for a Registration Statement regarding the Warrant A Shareholders, the securities of the Company held by the Warrant A Shareholders, and the intended method of disposition of the Initial Registrable Securities to effect the registration of the Initial Registrable Securities, and the Warrant A Shareholders shall execute such documents in connection with such registration as the Company may reasonably request that are customary of a selling shareholder in similar situations, including providing that the Company shall be entitled to postpone and suspend the effectiveness or use of the Registration Statement as permitted hereunder; provided that Warrant A Shareholders shall not, in connection with the foregoing, be required to execute any lock-up or similar agreement or otherwise be subject to any contractual restriction on the ability to transfer the Initial Registrable Securities. Any failure by the Company to file the Registration Statement by the Filing Date or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve the Company of its obligations to file or effect the Registration Statement as set forth above in this Clause 6. Unless required under applicable laws and Commission rules, in no event shall the Warrant A Shareholders be identified as a statutory underwriter in the Registration Statement; provided, that if the Warrant A Shareholders are required to be so identified as a statutory underwriter in the Registration Statement, each Warrant A Shareholder will have an opportunity to withdraw its Initial Registrable Securities from the Registration Statement.

6.3 In the case of registration effected by the Company pursuant to this Deed, the Company shall, upon reasonable request, inform the Warrant A Shareholders as to the status of such registration. At its expense, the Company shall:

(a) except for such times as the Company is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption, or compliance under state securities laws which the Company determines to obtain, continuously effective with respect to the Warrant A Shareholders, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of the following: (i) each Warrant A Shareholder ceases to hold any Initial Registrable Securities; (ii) the date all Initial Registrable Securities held by each Warrant A Shareholder may be sold without restriction under Rule 144, including without limitation, any volume and manner of sale restrictions which may be applicable to affiliates under Rule 144 and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) and (iii) two (2) years from the date of the effectiveness of the Registration Statement;

(b) advise each Warrant A Shareholder as promptly as practicable, but in any event within five (5) Business Days:

(i) when a Registration Statement or any post-effective amendment thereto has become effective;

(ii) after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Initial Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Deed, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising the Warrant A Shareholders of such events, provide the Warrant A Shareholders with any material, nonpublic information regarding the Company other than to the extent that providing notice to the Warrant A Shareholders of the occurrence of the events listed in (i) through (iv) above may constitute material, nonpublic information regarding the Company; the Warrant A Shareholders hereby consent to receipt of any material, non-public information with respect to the occurrence of the events listed in (i) through (iv) of this Clause 6.3(b);

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(d) upon the occurrence of any event contemplated in Clause 6.3(b), except for such times as the Company is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement, the Company shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document, so that, as thereafter delivered to purchasers of the Initial Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) use its commercially reasonable efforts to cause all Shares to be listed on each securities exchange or market, if any, on which the Company's Ordinary Shares are then listed;

(f) use its commercially reasonable efforts to allow any Warrant A Shareholder to review disclosure regarding such Warrant A Shareholder in the Registration Statement and consider in good faith proposed revisions from such Warrant A Shareholder (provided, that the use of such revisions in the Registration Statement shall always remain at the sole discretion of the Company); and

(g) use its commercially reasonable efforts to (x) take all other steps reasonably necessary to effect the registration of the Initial Registrable Securities contemplated herein and (y) take such further action as any Warrant A Shareholder may reasonably request, all to the extent required from time to time to enable such Warrant A Shareholder to sell Ordinary Shares held by such Warrant A Shareholder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by

the Commission, to the extent that such rule or such successor rule is available to the Company).

6.4 Notwithstanding anything to the contrary in this Deed, if the Commission prevents the Company from including in the Registration Statement any or all of the Shares due to limitations on the use of Rule 415 of the Securities Act for the resale of the Shares by the Warrant A Shareholders, the Registration Statement shall register for resale such number of Shares which is equal to the maximum number of Shares as is permitted by the Commission. In such event, the number of Shares to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholders and as promptly as practicable after being permitted to register additional Shares under Rule 415 under the Securities Act, the Company shall use commercially reasonable efforts to amend the Registration Statement or file a new Registration Statement to register such Shares not included in the initial Registration Statement.

6.5 Notwithstanding anything to the contrary in this Deed, the Company shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require the Warrant A Shareholders not to sell under the Registration Statement or to suspend the effectiveness thereof, (i) if it determines that in order for the Registration Statement to not contain any untrue statement of a material fact or omission of a material fact necessary to make the statements contained therein not misleading, an amendment thereto would be needed to include information that would at that time not otherwise be required in a current, quarterly, or annual report under the Exchange Act and is materially prejudicial or onerous for the Company to include, (ii) if the negotiation or consummation of a transaction by the Company or its subsidiaries is pending or an event has occurred (which negotiation, consummation or event the Company's board of directors reasonably believes, upon the advice of legal counsel (which may be in-house counsel), would require additional disclosure by the Company in the Registration Statement of material information) that the Company has a *bona fide* business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Company's board of directors, upon the advice of legal counsel (which may be in-house counsel), to cause the Registration Statement to fail to comply with applicable disclosure requirements or (iii) in the good faith judgment of the majority of the Company's board of directors, such filing or effectiveness or use of such Registration Statement, would be seriously detrimental to the Company and the majority of the Company's board of directors conclude as a result that it is essential to defer such filing because it would (x) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (y) require premature disclosure of material information that the Company has a *bona fide* business purpose for preserving as confidential, or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act (each such circumstance in subclauses (i) – (iii), a "**Suspension Event**"); provided, however, that the Company may not delay or suspend the Registration Statement on more than three (3) occasions or for more than ninety (90) consecutive calendar days or more than one hundred and twenty (120) total calendar days, in each case during any twelve (12) month period. Upon receipt of any written notice from the Company of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Warrant A Shareholder agrees that (a) it will immediately discontinue offers and sales of the Shares under the Registration Statement until such Warrant A Shareholder receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (b) it will maintain the confidentiality of any information included in such written

notice delivered by the Company, except for disclosure to any Warrant A Shareholder's employees, agents and professional advisors who need to know such information and are obligated to keep it confidential, unless otherwise required by law or court order. If so directed by the Company, each Warrant A Shareholder will deliver to the Company or, in such Warrant A Shareholder's sole discretion destroy, all copies of the prospectus covering the Shares in such Warrant A Shareholder's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the Shares shall not apply (1) to the extent such Warrant A Shareholder is required to retain a copy of such prospectus (A) in order to comply with applicable legal, regulatory, self-regulatory, or professional requirements, or (B) in accordance with a bona fide pre-existing document retention policy, or (2) to copies stored electronically on archival servers as a result of automatic data back-up.

6.6 Indemnification.

(a) The Company agrees to indemnify and hold harmless, to the extent permitted by law, the Warrantholder, its directors, officers, employees, advisers and agents, and each person who controls the Warrantholder (within the meaning of the Securities Act or the Exchange Act) and each affiliate of the Warrantholder (within the meaning of Rule 405 under the Securities Act) from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement 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 contained in any information furnished in writing to the Company by or on behalf of the Warrantholder expressly for use therein.

(b) The Warrantholder agrees, severally and not jointly with any other selling shareholder under the Registration Statement, to indemnify and hold harmless the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by the Warrantholder expressly for use therein. In no event shall the liability of the Warrantholder be greater in amount than the dollar amount of the net proceeds received by the Warrantholder upon the sale of the Shares giving rise to such indemnification obligation.

(c) Any person entitled to indemnification herein shall (a) 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 prejudiced the indemnifying party) and (b) 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. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to

any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) The indemnification provided for under this Deed shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, affiliate or controlling person of such indemnified party and shall survive the transfer of the Shares received pursuant to this Deed.

(e) If the indemnification provided under this Clause 6.6 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. 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 this Clause 6.6, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. 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 Clause 6.6(e) from any person who was not guilty of such fraudulent misrepresentation. In no event shall the liability of the Warrantholder (together with any indemnification obligation under this Clause 6.6) be greater in amount than the dollar amount of the net proceeds received by the Warrantholder upon the sale of the Shares giving rise to such contribution obligation.

7. ADJUSTMENTS

7.1 Stock Dividends, Subdivision, Combinations and Consolidations. If the Company, at any time on or after the date of this Deed: (i) pays a stock dividend or makes a distribution on the Shares in the form of Shares, (ii) subdivides outstanding Shares into a larger number of shares, or (iii) combines or consolidates (including, without limitation, by reverse stock split) outstanding Shares into a smaller number of shares, then, in each case, the number of Shares issuable after such event upon exercise of the Subscription Rights in respect of the Warrants will be equal to the number of Shares issuable upon exercise of the Subscription Rights in respect of the Warrants prior to such event multiplied by a fraction of which the numerator will be the number of Shares outstanding immediately after such event and of which the denominator will be the number of Shares outstanding immediately before such event, and the Subscription Price will be proportionately adjusted such that the aggregate Subscription Price of the Warrant Shares will remain unchanged. Any adjustment made pursuant to this Clause 7.1 shall be certified in writing by the Company's auditors (at the Company's expense) and the Warrantholders and will become effective immediately after the record date for the determination of shareholders

entitled to receive such dividend or distribution and will become effective immediately after the effective date in the case of a subdivision, combination or consolidation. The Company shall procure that the Register is updated accordingly within ten (10) Business Days of the date on which the adjustment became effective.

7.2 The Company shall procure that its auditors carry out the certification referred to in Clause 7.1 and that in carrying out the certification: (i) the Company's auditors shall act as an expert and not an arbitrator; (ii) the costs of the Company's auditors shall be borne by the Company; and (iii) the certification of the Company's auditors shall, except in the case of manifest error, be final and binding on the Company and the Warrantholders.

7.3 Reclassifications, Reorganizations, Consolidations and Mergers. In the event of (i) any capital reorganization of the Company, (ii) any reclassification or recapitalization of the stock of the Company (other than (A) a change in par value or from par value to no par value or from no par value to par value or (B) as a result of a stock dividend, subdivision, combination or consolidation of shares as to which Clause 7.1 will apply), or (iii) any Change of Control, consolidation or merger of the Company with or into another Person (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Shares then issuable upon exercise of the Subscription Rights in respect of the Warrants), the Warrants will, after such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, be exercisable for the kind and number of shares of stock or other securities or property ("**Alternate Consideration**") of the Company or of the successor corporation resulting from such consolidation or surviving such merger, if any (and/or the issuer of the Alternate Consideration, as applicable) to which the holder of the number of Shares underlying the Warrants (at the time of such reorganization, reclassification, recapitalization, consolidation or merger) would have been entitled upon such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger. In such event, the aggregate Subscription Price otherwise payable for the Shares issuable upon exercise of the Subscription Rights in respect of the Warrants will be allocated among the Alternate Consideration receivable as a result of such reorganization, reclassification, recapitalization, Change of Control, consolidation, or merger in proportion to the respective Fair Market Value of such Alternate Consideration, but in a manner in which the aggregate Subscription Price of the Warrant Shares will remain materially unchanged. If and to the extent that the holders of Shares have the right to elect the kind or amount of consideration receivable upon consummation of such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, then the consideration that the Warrantholders will be entitled to receive upon exercise will be specified by each Warrantholder, which specification will be made by the Warrantholders by the later of (A) ten (10) Business Days after the Warrantholders are provided with a final version of all material information concerning such choice as is provided to the holders of Shares and (B) the last time at which the holders of Shares are permitted to make their specifications known to the Company; provided, however, that if a Warrantholder fails to make any specification within such time period, such Warrantholder's choice will be deemed to be whatever choice is made by a plurality of all holders of Shares that are not affiliated with the Company (or, in the case of a consolidation or merger, any other party thereto) and affirmatively make an election (or of all such holders if none of them makes an election). From and after any such reorganization, reclassification, recapitalization, Change of Control, consolidation or merger, all references to "Warrant Shares" and similar references herein will be deemed to refer to the Alternate Consideration to which the Warrantholders are entitled pursuant to this Clause 7.3. In the event of any Change of Control, consolidation or merger in which the Company is not the continuing or surviving corporation or entity (or is not the issuer of the Alternate Consideration), proper provision will be made so that such continuing or surviving corporation or entity (and/or the issuer of the Alternate Consideration) will agree to carry out and observe the obligations of the Company under the Warrants such that the provisions of this Clause 7.3 will similarly apply with respect to the Alternate Consideration

and similarly apply to successive reorganizations, reclassifications, recapitalizations, Change of Control, consolidations, or mergers.

7.4 Calculations. All calculations under this Clause 7 will be made to the nearest cent or the nearest 1/100th of a Share, as the case may be. For the purposes of this Clause 7, the number of Shares deemed to be issued and outstanding as of a given date will be the sum of the number of Shares (excluding treasury shares, if any) issued and outstanding on such date.

7.5 Notice of adjustment. The Company shall send the Warrantholders notice of any adjustment made pursuant to Clause 7.1 as soon as practicable (and in any event within thirty (30) calendar days) following the relevant resolution of the Directors giving effect to or sanctioning the adjustment.

8. NO RIGHTS AS A SHAREHOLDER UNTIL EXERCISE

Except as expressly set forth in this Deed, the Warrants do not entitle the Warrantholders to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise of the Subscription Rights in respect of the Warrants as set forth in Clause 4.

9. WARRANTIES

9.1 The Company warrants to the Warrantholder that, as at the date of this Deed:

(a) the Company is validly incorporated, in existence and duly registered under the laws of the Cayman Islands;

(b) the Company's board of directors has authorised the execution of this Deed and has obtained the requisite authority, pursuant to the Act and the Articles, to issue the Warrants and to allot and issue the Warrant Shares as fully paid in accordance with its terms and, pursuant to that authorisation, the Company's board of directors may allot and issue the Warrant Shares as fully paid and free from pre-emption rights and any other Encumbrance upon exercise of the Subscription Rights;

(a) immediately following Completion, and assuming no redemptions in connection with the Merger: (1) the entire issued equity share capital of the Company; and (2) all of those shares in the capital of the Company which the Company is obliged to issue upon the exercise in full of all Outstanding Options shall be as set forth in columns 1 and 2, respectively on Schedule 3; and

(b) the copies of the Articles provided to the Warrantholders are true, accurate and complete.

10. UNDERTAKINGS OF THE COMPANY

10.1 For so long as the Subscription Rights have not lapsed, the Company undertakes to:

(a) comply with the terms and conditions of this Deed and specifically, but without limitation, to do all such things and execute all such documents so far as it is lawfully able to the extent legally required in order to give effect to the Subscription Rights in accordance with the terms of this Deed;

(b) ensure that the Company has all necessary authorisations and approvals as will enable the Subscription Rights of the Warrantholders to be satisfied in full at any time;

(c) ensure that the Company's board of directors have the requisite authority from time to time to allot, free from pre-emption rights and any other Encumbrance or Outstanding

Options such number of Shares from time to time required in order to satisfy the exercise of all outstanding Subscription Rights in respect of the Warrants in full;

(d) maintain the Register in accordance with the provisions of Schedule 2;

(e) replace, without charge, a Certificate at the request of a Warrantholder if it is mutilated, defaced, lost, stolen or destroyed, provided that:

(i) the Warrantholder provides the Company with such evidence in respect of the mutilation, defacement, loss, theft or destruction as the Company may reasonably require;

(ii) the mutilated or defaced Certificate in respect of which a replacement is being sought is surrendered; and

(iii) the Warrantholder shall indemnify the Company on demand through the delivery of an Indemnity;

(f) not modify the rights attached to any Warrant Shares or Shares in a way which could reasonably be expected to have a material adverse effect on the rights of the Warrantholders relative to the rights of the other Shareholders or the value of the Warrants or of the Warrant Shares;

(g) notify the Warrantholders prior to allotting, issuing or granting any right to subscribe for, or to convert securities into, equity share capital of the Company not less than five (5) Business Days prior to such date;

(h) notify the Warrantholders prior to passing an effective resolution for liquidating, winding up or dissolving the Company not less than five (5) Business Days prior to such date; and

(i) not purchase, and procure that no member of the Company Group will purchase, Warrants unless an offer to purchase is made pro rata to all Warrantholders.

11. LIQUIDATION

If, prior to the exercise of the Subscription Rights, an effective resolution is passed for winding up or dissolution of the Company, then the Warrantholders: (i) will be treated as if, immediately before the date of such order or resolution, the Warrantholders had exercised all the Subscription Rights; and (ii) shall be entitled to receive out of the assets, which would otherwise be available in the liquidation, such sum (if any) as the Warrantholders would have received had the exercise in full of the Subscription Rights entitled the Warrantholders to subscribe for Warrant Shares, after deducting from such sum an amount equal to the Subscription Price which would have been payable upon such exercise.

12. VARIATION OF RIGHTS

12.1 Subject to Clause 12.2, none of the rights attached to the Warrants (including the Subscription Rights) nor any other provision of this Deed may (whether or not the Company is being wound up) be altered or abrogated without the prior written consent of the Company and the Warrantholders. An agreed alteration may be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to this Deed.

12.2 Modifications to this Deed which are of a purely formal, minor or technical nature which do not prejudice in any way the rights of the Warrantholders, may be made by deed and signed as

a deed by the Company, and a copy of such deed shall be provided to the Warrantholders within five (5) Business Days of the date of its execution.

13. TRANSFER

13.1 Upon prior written notice to the Company, the Warrantholder may sell, assign, transfer, pledge or dispose of all or any portion of any Warrant hereunder: (i) to any Affiliate of the Warrantholder; (ii) for the purposes of granting a pledge or as security or collateral in connection with any borrowing or the incurrence of any indebtedness by the Warrantholder; or (iii) to any assignee of the Warrantholder (or its Affiliate) under the Purchase Agreement (as defined in the MOU) entered into pursuant to the MOU or such other aircraft purchase agreement entered into by the parties to the MOU.

13.2 Upon the prior written consent of the Company, which such consent shall not be unreasonably withheld, conditioned or delayed, the Warrantholder may sell, assign, transfer, pledge or dispose of all or any portion of any Warrant hereunder to a bona fide business partner of the Warrantholder.

14. TERMINATION

14.1 Subject to Clause 14.2 below, this Deed shall cease and terminate immediately upon the earlier of:

(a) the date that is five (5) years after the date of Type Certification;

(b) the date the Subscription Rights lapse and/or the Warrants are cancelled pursuant to the terms of this Deed or as otherwise agreed in writing by the Company and the Warrantholders; or

(c) the date the Warrantholders receive the sum (if any) it would be entitled to pursuant to Clause 11 or notice that such sum is nil.

14.2 Any cessation and termination pursuant to Clause 14.1 shall:

(a) be without prejudice to the rights, obligations or liabilities of any party which shall have accrued or arisen prior to such cessation and determination; and

(b) not affect the rights and obligations of the Company or the Warrantholders under Clauses 1, 14, 15, 16, 19, 21, and 22.

15. CONFIDENTIALITY

15.1 The Warrantholders shall not use any confidential information relating to the Company for any purpose other than to perform its obligations, or to exercise their rights, under this Deed.

15.2 The Warrantholders shall keep confidential any information received by them in their capacity as Warrantholders which is of a confidential nature, including the existence of or contents of this Deed, or any confidential information relating to the business, affairs, customers, clients or suppliers of the Company or the Group except:

(a) to the extent the information is in the public domain through no fault of the Warrantholders;

(b) as shall be required by law or by any regulatory authority to which the Warrantholders are subject or by the rules of any stock exchange upon which the Warrantholders' securities are listed or traded;

(c) to the beneficiaries of any trust or nominee arrangement on whose behalf the Warrants may be held; and

(d) as shall be required by:

(i) any lender to the Company;

(ii) the Company's auditors and/or any other professional advisers of the Company; and

(iii) the Warrantholders' professional advisers and to the professional advisers of any person to whom the Warrantholders are entitled to disclose information pursuant to this Deed,

provided that the recipient is subject to an obligation to keep the information confidential on the same basis as is required by the Warrantholders pursuant to this Deed.

15.3 The Company shall keep confidential any information received by it in connection with this Deed, or any confidential information relating to a Warrantholder except:

(a) as shall be required by law or by any regulatory authority to which the Company is subject or by the rules of any stock exchange upon which the Company's securities are listed or traded; and

(b) as shall be required by:

(i) any lender to the Company;

(ii) the Company's auditors and/or any other professional advisers of the Company; and

(iii) the professional advisers of any person to whom the Company is entitled to disclose information pursuant to this Deed,

provided that the recipient is subject to an obligation to keep the information confidential on the same basis as is required by the Company pursuant to this Deed.

16. NOTICES

Any notice to be given to or by a party for the purposes of this Deed shall be given in accordance with the provisions of Schedule 2.

17. ELECTRONIC EXECUTION

This Deed and any Certificate issued hereunder may be executed by way of third party internationally recognised electronic signature software programs, such as DocuSign.

18. INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, then such provision shall be deemed to be severed from this Deed and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the Company and the Warrantholders and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Deed.

19. REMEDIES AND WAIVERS

Except as otherwise provided under this Deed, no failure to exercise, nor any delay in exercising, on the part of any party, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of any party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

20. PROCESS AGENT

20.1 Without prejudice to any other permitted mode of service, the parties agree that service of any claim form, notice or other document for the purpose of or in connection with any action or proceeding in England or Wales arising out of or in any way relating to this Deed shall be duly served upon:

(a) the Company if it is delivered personally or sent by recorded or special delivery post (or any substantially similar form of mail) to Vertical Aerospace Group Ltd., 140-142 Kensington Church Street, London, England W8 4BN, marked for the attention of Legal Department or such other person and address in England or Wales as such party shall notify the Warrantholders in writing from time to time; and

(b) a Warrantholder if it is delivered personally or sent by recorded or special delivery post (or any substantially similar form of mail) to the Warrantholder Process Agent (as defined in Schedule 2 attached hereto) of such Warrantholder entered into the Register or such other person and address in England or Wales as such party shall notify the Company in writing from time to time,

in each case whether or not such claim form, notice or other document is forwarded to the relevant party or received by such party.

21. GOVERNING LAW AND JURISDICTION

This Deed and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum. For the purposes of this Clause 21, "**Dispute**" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Deed, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Deed or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Deed.

22. THIRD PARTY RIGHTS

Save for the Warrantholders, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such act to apply to any of its terms.

SCHEDULE 1
FORM OF CERTIFICATE AND NOTICE OF EXERCISE

Part 1

FORM OF CERTIFICATE

VERTICAL AEROSPACE LTD.

(the "**Company**")

WARRANT CERTIFICATE

WARRANT [A][B][C][D][E][F]

Warrant Certificate Number ____

This is to certify that the person named below is the Warrantholder for the purpose of the warrant instrument issued by the Company on 16 December 2021 (the "**Warrant Instrument**") and has the right to subscribe in cash at the Subscription Price for [●][1] Warrant [A][B][C][D][E][F] Shares on the terms set out in the Warrant Instrument. This Warrant [A][B][C][D][E][F] is issued with the benefit of, and subject to, the provisions contained in the Warrant Instrument. Unless the context otherwise requires, terms defined in the Warrant Instrument shall have the same meanings in this certificate.

Warrantholder in respect of Warrant [A][B][C][D][E][F]**:**

Name:

American Airlines, Inc., a Delaware corporation

Address:

[1 Skyview Drive, Fort Worth, Texas 76155, United States of America]

Date of Issue: _____ 2021

EXECUTED and **DELIVERED** as a **DEED** by **VERTICAL AEROSPACE LTD.**, acting by two directors:

[●] Director	[●] Director

Notes:

(1) The Subscription Rights are not transferable except in accordance with the Warrant Instrument.

(2) A copy of the Warrant Instrument may be obtained on request from Vertical Aerospace Ltd. at the Registered Office.

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1 **Note to draft**: Number of Warrant Shares to be included here.

(3) THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, REPRESENTS, ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT: (I) IT HAS ACQUIRED A "RESTRICTED" SECURITY WHICH HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT; (II) IT WILL OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY ONLY (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT) MEETING THE REQUIREMENTS OF RULE 904 OF THE SECURITIES ACT, (C) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION; AND (III) IT WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THIS SECURITY OF THE RESALE RESTRICTIONS SET FORTH IN (II) ABOVE. EACH OFFER, SALE OR OTHER DISPOSITION PURSUANT TO THE FOREGOING CLAUSES (II) (B), (C) AND (D) IS SUBJECT TO THE RIGHT OF THE COMPANY TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER INFORMATION ACCEPTABLE TO IT IN FORM AND SUBSTANCE.

Part 2

FORM OF EXERCISE NOTICE

NOTICE OF EXERCISE

To: The Directors

VERTICAL AEROSPACE LTD.

140-142 Kensington Church Street, London, England W8 4BN

Capitalised terms used but not defined in this Notice of Exercise shall have the meaning given to them in the warrant instrument issued by the Company on 16 December 2021.

We hereby exercise the Subscription Rights in respect of the Warrant [A][B][C][D][E][F] Shares represented by the Certificate (or an indemnity in the place thereof in a form as the Directors may decide (in their sole discretion)) appended hereto and attach [insert method of payment agreed by the Company] for [$] being the aggregate Subscription Price payable in respect of the Subscription Rights we are exercising. We agree that the Warrant [A][B][C][D][E][F] Shares are accepted subject to the Articles.

We direct the Company to allot to us the ordinary shares to be issued pursuant to this exercise in the following numbers:

No of Ordinary Shares	Name of Warrantholder	Address of Warrantholder
	American Airlines, Inc.	[1 Skyview Drive, Fort Worth, Texas 76155, United States of America]

[We request that a Certificate for any balance of our Warrants be sent to [*address*], marked for the attention of [*name*].]

Signed _____
Print Name _____
Address _____
_____

SCHEDULE 2
REGISTER AND NOTICES

1. REGISTER

1.1 The Company shall keep the Register at the Registered Office, or such other location as it may in its absolute discretion determine, and enter in the Register:

(a) the names, addresses and email addresses of the Warrantholder;

(b) the name and address of the Warrantholder's process agent located in England or Wales (a "**Warrantholder Process Agent**") as notified to the Company in writing prior to receipt of a Certificate, which shall be used for the service of any claim form, order, judgment or other document relating to or in connection with any proceeding, suit or action arising out of or in connection with this Deed;

(c) the number of the Warrants held by the Warrantholder;

(d) the number of Warrant Shares to which the Warrantholder is entitled if the Subscription Rights were exercised as adjusted in accordance with this Deed from time to time;

(e) the date on which the name of the Warrantholder is entered in the Register in respect of the Warrants (as applicable);

(f) the date on which the Warrantholder exercises the Subscription Rights; and

(g) any transfer of the Warrants duly made in accordance with this Deed (as applicable).

1.2 Any change in the name or address of the Warrantholder shall be notified as soon as practicable to the Company, which shall cause the Register to be altered accordingly. The Warrantholder or any person authorised by the Warrantholder shall be at liberty at all reasonable times during office hours and upon five (5) Business Days' notice to inspect the Register and to take copies of it.

1.3 The Company shall be entitled to treat the persons whose names are shown in the Register as the absolute owners of the Warrants (as applicable) and, accordingly, shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to, or interest in, the Warrants (as applicable) on the part of any other person whether or not it shall have express or other notice thereof.

1.4 The Warrantholder shall be recognised by the Company as entitled to his/her Warrants free from any equity, set off or cross claim on the part of the Company against the original or any intermediate holder of such Warrants.

2. NOTICES

2.1 Any notice to be given under this Deed shall be in writing, in English and shall be delivered by hand, by courier or by e-mail to:

(a) if within the United Kingdom, by first class pre-paid post, in which case it shall be deemed to have been given two (2) Business Days after the date of posting;

(b) if from or to any place outside the United Kingdom, by air courier, in which case it shall be deemed to have been given two (2) Business Days after its delivery to a representative of the courier; and

(c) by e-mail, in which case it shall be deemed to have been given when despatched subject to confirmation of delivery by a delivery receipt,provided that in the case of any notice despatched other than on a Business Day between the hours of 9:30 a.m. to 5:30 p.m. London time shall be deemed to have been given at 9:30 a.m. on the next Business Day.

2.2 Notices under this Deed shall be sent for the attention of the person and to the address, or e-mail address, subject to paragraph 2.3 of this Schedule 2, as set out below:

(a) in the case of the Company:

Name:	Vertical Aerospace Group Ltd.
For the attention of:	Vincent Casey
Address:	140-142 Kensington Church Street, London, England W8 4BN
E-mail address:	########@#####

(b) in the case of the Warrantholder, to the address of the Warrantholder shown in the Register or, if no address is shown in the Register, to their last known place of business or residence.

2.3 The Company may notify the Warrantholder, and the Warrantholder may notify the Company, of any change to their address or other details specified in this paragraph 2 of Schedule 2 provided that such notification shall only be effective on the date specified in such notice or five (5) Business Days after the notice is given, whichever is later.

2.4 If no address has been notified to the Company by the Warrantholder, any notice, demand or other communication given or made under or in connection with the matters contemplated by this Deed may be given to the Warrantholder by the Company by exhibiting it for three (3) Business Days at the Registered Office.

2.5 Any person who becomes entitled to the Warrants (as applicable) (whether by operation of law, transfer or otherwise) shall be bound by every notice given in respect of the Warrants before its name and address is entered on the Register.

SCHEDULE 3

	(1) Issued	(2) Outstanding Options
Shares	225,325,674	97,609,567

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED and **DELIVERED** as a **DEED** by **VERTICAL AEROSPACE LTD.**, acting by two directors:

/s/ Vincent Casey	/s/ Stephen Fitzpatrick
Vincent Casey	Stephen Fitzpatrick
Director	Director

(Signature page to the American Warrant Instrument)

Exhibit 4.10

SHARE PURCHASE AGREEMENT

THIS DEED is made on 10 June 2021

BETWEEN

(1) **THE PERSONS** whose details are set out in Schedule 1 (together the "**Sellers**" and each a "**Seller**"); and

(2) **VERTICAL AEROSPACE LTD.**, a Cayman Islands limited by shares with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Pubco**").

WHEREAS

(A) Concurrently with the execution of this Deed, (1) Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 (the "**Company**"); (2) Broadstone Acquisition Corp., a Cayman Islands exempted company ("**Broadstone**"); (3) Broadstone Sponsor LLP, a United Kingdom limited liability partnership (the "**Sponsor**"); (4) Vertical Merger Sub Ltd., a Cayman Islands company limited by shares ("**Merger Sub**"); (5) Pubco; (6) Vincent Casey; and (7) the Company Shareholders (as defined in the BCA) shall enter into a business combination agreement (the "**BCA**") pursuant to which, among other things, (a) Broadstone will merge with and into Merger Sub (the "**Merger**"), as a result of which (i) the separate corporate existence of Merger Sub shall cease and Broadstone shall continue as the surviving company and (ii) each issued and outstanding security of Broadstone immediately prior to the Merger Effective Time (as defined in the BCA) shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of Pubco, and (b) Pubco will acquire all of the issued and outstanding securities of the Company in exchange for the right of the holders thereof to receive a substantially equivalent security of Pubco (the "**Share Acquisition**" and, together with the Merger and the other transactions contemplated by the BCA, the "**Transactions**").

(B) The Company has issued, and the Sellers have subscribed for, loan notes convertible into A Ordinary Shares pursuant to a convertible loan note instrument (the "**Convertible Loan Note Instrument**") and a related subscription agreement, each dated 11 March 2021 (the "**Notes**").

(C) In connection with the Transactions, (i) the Notes will convert into A Ordinary Shares pursuant to the Deeds of Noteholders, in accordance with the terms therein, immediately prior to the Share Acquisition Closing, such that each Seller is the holder of A Ordinary Shares and (ii) each Seller shall sell, and Pubco shall acquire, all the A Ordinary Shares held by each Seller subject to the terms and conditions of this Deed with such sale to be consummated concurrently with the Transactions.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context otherwise requires:

"**A Ordinary Shares**" means A ordinary shares of £0.00001 each in the capital of the Company;

"**Affiliate**" means, in relation to a body corporate, any subsidiary or holding company of such body corporate, and any subsidiary of any such holding company, in each case from time to time;

"**Agreed Form**" means, in relation to any document, the form of that document which has been mutually agreed by the parties;

"**BCA**" has the meaning given in Recital A;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks in (i) New York City, USA, (ii) London, England, and (iii) George Town, Cayman Islands are open for ordinary banking business;

"**Commission**" means the Securities and Exchange Commission;

"**Company**" has the meaning given in Recital A;

"**Completion**" means completion of the sale and purchase of the A Ordinary Shares in accordance with Clause 4;

"**Confidential Information**" has the meaning given in Clause 7.1;

"**Consideration**" has the meaning given in Clause 3;

"**Deed**" means this deed;

"**Deed of Noteholder**" means each deed of noteholder entered into by each Seller on the date hereof;

"**Effectiveness Date**" has the meaning given in Clause 6.1;

"**Encumbrance**" means any interest or equity of any person (including any right to acquire, option or right of pre-emption), any mortgage, charge, pledge, lien, assignment, hypothecation, security interest (including any created by law), title retention or other security agreement or arrangement;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Exchange Shares**" means the ordinary shares, with $1.00 par value, of Pubco;

"**Filing Date**" has the meaning given in Clause 6.1;

"**Lock-Up Agreement**" means the lock-up agreement in substantially the form attached hereto as Schedule 2, to be entered into at Completion;

"**Outstanding Options**" means, at the relevant time, all outstanding options, warrants or other outstanding rights (whether or not conditional or contingent and assuming full performance of any performance linked rights), to subscribe for equity shares of Pubco or securities which are convertible into equity shares of the Pubco;

"**Registrable Securities**" has the meaning given in Clause 6.1;

"**Registration Statement**" has the meaning given in Clause 6.1;

"**Representatives**" means, in relation to a party, its Affiliates and their respective directors, officers, employees, agents, consultants and advisers;

"**Sale Shares**" has the meaning given in Clause 3.1;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Share Acquisition Closing**

" has the meaning given in the BCA;

"**Suspension Event**" has the meaning given in Clause 6.4;

"**Sale Transaction**" means the transactions contemplated by this Deed and/or the other Transaction Documents or any part thereof;

"**Transaction Documents**" means this Deed, the Deeds of Noteholder and any other documents entered into by the parties in connection with the Sale Transaction;

"**Transfer Agent**" has the meaning given in the BCA; and

"**Working Hours**" means 9:30 am to 5:30 pm on a Business Day based on the time at the location of the address of the recipient of the relevant notice.

1.2 In this Deed, unless the context otherwise requires:

(a) "holding company" and "subsidiary" mean "holding company" and "subsidiary" respectively as defined in section 1159 of the Companies Act 2006;

(b) every reference to a particular law shall be construed also as a reference to all other laws made under the law referred to and to all such laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other laws from time to time and whether before or after Completion provided that, as between the parties, no such amendment or modification shall apply for the purposes of this Deed to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;

(c) references to clauses, recitals and schedules are references to Clauses and Recitals of and Schedules to this Deed, references to paragraphs are references to paragraphs of the Schedule in which the reference appears and references to this Deed include the Schedules;

(d) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(e) references to a "party" means a party to this Deed and includes its successors in title, personal representatives and permitted assigns;

(f) references to a "person" includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;

(g) references to a "company" includes any company, corporation or other body corporate wherever and however incorporated or established;

(h) references to "£" are references to the lawful currency from time to time of the United Kingdom;

(i) references to times of the day are to London time unless otherwise stated;

(j) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(k) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court official or any other legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;

(l) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(m) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

1.3 The headings and sub-headings in this Deed are inserted for convenience only and shall not affect the construction of this Deed.

1.4 The schedule to this Deed shall form part of this Deed.

1.5 References to this Deed include this Deed as amended or varied in accordance with its terms.

2. SALE OF A ORDINARY SHARES

On the terms set out in this Deed, each Seller shall sell and transfer to Pubco, and Pubco shall purchase from each Seller with effect from Completion the number of A Ordinary Shares as set out next to the name of each Seller in column (C) of Schedule 1, with all of the legal and beneficial title to such A Ordinary Shares with full title guarantee, free from all Encumbrances, together with all rights attaching to such A Ordinary Shares as at Completion (including all dividends and distributions declared, paid or made in respect of the A Ordinary Shares after Completion).

3. CONSIDERATION

3.1 Subject to and upon the terms and conditions of this Deed, in full payment for the A Ordinary Shares, Pubco shall, without duplication, issue and deliver to the Sellers free from all Encumbrances the number of Exchange Shares as set out next to the name of each Seller in column (D) of Schedule 1 at Completion (the "**Sale Shares**").

3.2 Prior to Completion, the Sellers shall provide written instructions to Pubco and its Transfer Agent to issue and deliver the Sale Shares in accordance with Schedule 1.

3.3 Pubco shall (a) cause the offer and sale of the Sale Shares to be registered under the Securities Act with the U.S. Securities and Exchange Commission (the "**SEC**") and (b) cause the Sale Shares to be listed on the New York Stock Exchange ("**NYSE**"), in each case in accordance with the terms of this Deed.

4. COMPLETION

4.1 During the period beginning on the date of this Deed and ending on the earliest of (i) Completion, (ii) termination of this Deed and (iii) the date on which the BCA is terminated in accordance with its terms, each Seller agrees not to sell, transfer, assign, novate or otherwise dispose of the Notes or the loans made pursuant to the Convertible Loan Note Instrument or create an Encumbrance over them without the prior written consent of Pubco.

4.2 Completion shall take place concurrently with the Share Acquisition Closing. Pubco shall notify the Sellers as soon as commercially practicable, but in no event later than two (2) Business Days prior to the Share Acquisition Closing of the time and date of the Share Acquisition Closing.

4.3 At Completion:

(a) each Seller shall deliver to Pubco or procure the delivery to Pubco of:

(i) all documents, duly executed and/or endorsed where required, required to enable title to all of the A Ordinary Shares held by that Seller to pass into the name of Pubco (or its nominees); and

(ii) a copy of any power of attorney in Agreed Form under which any document to be executed by that Seller under this Deed has been executed; and

(b) Pubco shall cause the Sale Shares to be issued and delivered to the Sellers in accordance with Clauses 3.1 and 3.2; and

(c) Pubco and each Seller shall enter into the Lock-Up Agreement.

4.4 Without prejudice to any other rights and remedies Pubco may have, Pubco shall not be obliged to complete the sale and purchase of any of the A Ordinary Shares pursuant to this Deed unless the sale and purchase of all of the A Ordinary Shares hereunder is completed simultaneously.

5. WARRANTIES

5.1 Each Seller, solely on behalf of itself, hereby warrants severally (not jointly and not jointly and severally) to Pubco as at the date of this Deed:

(a) it is the sole legal and beneficial owner of Notes and the loans made pursuant to the Convertible Loan Note Instrument (as applicable) in the amount set out next to the name of that Seller in column (B) of Schedule 1; and

(b) it has completed its independent inquiry and has relied fully upon the advice of legal counsel, tax, accountant, financial and other Representatives in determining the legal, tax, financial and other consequences of this Deed and the transactions contemplated hereby and the suitability of this Deed and the transactions contemplated hereby for itself and its particular circumstances, and, except as set forth herein, it has not relied upon any representations or advice by Pubco, the Company or their relevant Representatives.

5.2 Each Seller, solely on behalf of itself, hereby warrants severally (not jointly and not jointly and severally) to Pubco as at Completion:

(a) the A Ordinary Shares set out opposite its name in column (C) of Schedule 1 are fully paid and free from all Encumbrances;

(b) the A Ordinary Shares sold by it pursuant to this Deed are the only shares held by it in the Company, it is not a party to any agreement or arrangement pursuant to which it may receive additional shares in the Company (including but not limited to as a result of a subscription for, purchase, allotment or issue of shares, or conversion of any instrument or right into shares), nor is it contemplated that it will in the future become a party to any such agreement or arrangement;

(c) it is the sole legal and beneficial owner of the A Ordinary Shares set out opposite its name in column (C) of Schedule 1 and it is entitled to transfer the full ownership of such A Ordinary Shares on the terms set out in this Deed;

(d) no commitment has been given by such Seller to create an Encumbrance affecting the A Ordinary Shares (or any unissued shares or debentures or other unissued securities of the Company) and, to the knowledge of such Seller, no person has claimed any rights in connection with any of those things;

(e) any and all amounts to be paid to or by the Sellers in connection with the Notes and the loans made pursuant to the Convertible Loan Note Instrument (including pursuant to

applicable tax laws) have been paid and/or provided for, such that no claims associated with such Notes and loans can be asserted by or against the Sellers;

(f) there are no voting trusts, proxies, shareholder agreements or any other written agreements or understandings, to which it is a party or by which it is bound, with respect to the voting or transfer of any of the A Ordinary Shares other than this Deed and the Deed of Noteholder; and

(g) it does not have any contract, agreement or arrangement with any person to sell, transfer or grant participations to such person, or to any third party, with respect to the Sale Shares.

5.3 Each party, solely on behalf of itself, hereby warrants severally (not jointly and not jointly and severally) to each other party as at the date of this Deed and as of Completion that:

(a) it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(b) it has taken all necessary action and has all requisite power and authority to enter into and perform this Deed in accordance with its terms;

(c) this Deed has been delivered, duly and validly executed;

(d) this Deed constitutes (or shall constitute when executed) valid, legal and binding obligations on it in accordance with its terms;

(e) the performance of and compliance with the terms and provisions of this Deed will not conflict with or result in a breach of, or constitute a default under, any agreement or instrument by which it is bound, or any law, order or judgment that applies to or binds it or any of its property;

(f) no consent, action, approval or authorisation of, and no registration, declaration, notification or filing with or to, any competent governmental, administrative or supervisory authority is required to be obtained, or made, by it to authorise the execution or performance of this Deed by it; and

(g) there is no pending or, to its knowledge, threatened litigation or claim, nor any outstanding governmental order, against or involving it, whether at law or equity, before or by any governmental authority, which would reasonably be expected to materially and adversely affect its ability to consummate the Transaction.

5.4 Pubco hereby warrants to each Seller as at Completion that:

(a) the Sale Shares issued to each Seller are duly authorized, validly issued, fully paid and nonassessable and free of all Encumbrances; and

(b) immediately following Completion, and assuming no redemptions in connection with the Merger: (1) the entire issued equity share capital of Pubco; and (2) all of those shares in the capital of Pubco which Pubco is obliged to issue upon the exercise in full of all Outstanding Options shall be as follows:

	(1) Issued	(2) Outstanding Options
Shares	257,062,500	298,482,500

5.5 Each of the warranties in Clauses 5.1, 5.3, 5.3 and 5.4 is separate and independent and, unless otherwise specifically provided, shall not be restricted or limited by reference to any other warranty or term of this Deed.

6. REGISTRATION STATEMENT.

For purposes of this Clause 6, the Sale Shares included in the Registration Statement shall include, as of any date of determination, the Sale Shares and any other equity security of Pubco issued or issuable with respect to the Sale Shares by way of share division, stock split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event or otherwise.

6.1 Pubco agrees that, within thirty (30) calendar days after the consummation of the Transactions (the "**Filing Date**"), Pubco will file with the Commission (at Pubco's sole cost and expense) a registration statement (the "**Registration Statement**") registering the resale of the Sale Shares (the "**Registrable Securities**"), and Pubco shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but not later than the earlier of (i) sixty (60) calendar days following the consummation of the Transactions, (ii) ninety (90) calendar days following the consummation of the Transactions if the Commission notifies Pubco that it will "review" the Registration Statement or (iii) ten (10) Business Days after the date Pubco is notified (orally or in writing, whichever is earlier) by the Commission that the Registration Statement will not be "reviewed" or will not be subject to further review (such date, the "**Effectiveness Date**"); provided, however, that Pubco's obligations to include the Registrable Securities in the Registration Statement are contingent upon a Seller (as applicable) furnishing a completed and executed selling shareholder's questionnaire in customary form to Pubco that contains the information required by the Commission rules for a Registration Statement regarding such Seller, the securities of Pubco held by such Seller and the intended method of disposition of the Registrable Securities to effect the registration of the Registrable Securities, and such Seller shall execute such documents in connection with such registration as Pubco may reasonably request that are customary of a selling shareholder in similar situations, including providing that Pubco shall be entitled to postpone and suspend the effectiveness or use of the Registration Statement as permitted hereunder; provided that such Seller shall not in connection with the foregoing be required to execute any lock-up or similar agreement or otherwise be subject to any contractual restriction on the ability to transfer the Registrable Securities (excluding any such restrictions under the Lock-Up Agreement). Any failure by Pubco to file the Registration Statement by the Filing Date or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve Pubco of its obligations to file or effect the Registration Statement as set forth above in this Clause 6. Unless required under applicable laws and Commission rules, in no event shall a Seller be identified as a statutory underwriter in the Registration Statement; provided, that if a Seller is required to be so identified as a statutory underwriter in the Registration Statement, such Seller will have an opportunity to withdraw its Sale Shares from the Registration Statement.

6.2 In the case of registration effected by Pubco pursuant to this Deed, Pubco shall, upon reasonable request, inform the Seller as to the status of such registration. At its expense Pubco shall:

(a) except for such times as Pubco is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption or compliance under state securities laws which Pubco determines to obtain, continuously effective with respect to such Seller, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of the following: (i) such Seller ceases to hold any Registrable Securities, (ii) the date all Registrable Securities held by such Seller may be sold without restriction under Rule 144, including without limitation, any volume and manner of sale

restrictions which may be applicable to affiliates under Rule 144 and without the requirement for Pubco to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), and (iii) two (2) years from the Effectiveness Date;

(b) advise each Seller as promptly as practicable, but in any event within five (5) Business Days:

(i) when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by Pubco of any notification with respect to the suspension of the qualification of the Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Deed, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, Pubco shall not, when so advising such Seller of such events, provide such Seller with any material, nonpublic information regarding Pubco other than to the extent that providing notice to such Seller of the occurrence of the events listed in (i) through (iv) of this Clause 6.2(b) constitutes material, nonpublic information regarding Pubco;

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(d) upon the occurrence of any event contemplated in Clause 6.2(b), except for such times as Pubco is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of the Registration Statement, Pubco shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) use its commercially reasonable efforts to cause all Sale Shares to be listed on each securities exchange or market, if any, on which the Exchange Shares are then listed;

(f) use its commercially reasonable efforts to allow a Seller (as applicable) to review disclosure regarding such Seller in the Registration Statement and consider in good faith proposed revisions from such Seller; and

(g) use its commercially reasonable efforts to (x) take all other steps reasonably necessary to effect the registration of the Sale Shares contemplated herein and (y) take such further

action as such Seller may reasonably request, all to the extent required from time to time to enable such Seller to sell such Seller's Sale Shares held by such Seller without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to Pubco).

6.3 Notwithstanding anything to the contrary in this Deed, if the Commission prevents Pubco from including in the Registration Statement any or all of Pubco Shares due to limitations on the use of Rule 415 of the Securities Act for the resale of Exchange Shares by a Seller (as applicable), the Registration Statement shall register for resale such number of Exchange Shares which is equal to the maximum number of Exchange Shares as is permitted by the Commission. In such event, the number of Exchange Shares to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholder and as promptly as practicable after being permitted to register additional Exchange Shares under Rule 415 under the Securities Act, Pubco shall use commercially reasonable efforts to amend the Registration Statement or file a new Registration Statement to register such Exchange Shares not included in the initial Registration Statement.

6.4 Notwithstanding anything to the contrary in this Deed, Pubco shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require a Seller (as applicable) not to sell under the Registration Statement or to suspend the effectiveness thereof, if it determines that in order for the Registration Statement not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading, (i) an amendment thereto would be needed to include information that would at that time not otherwise be required in a current, quarterly, or annual report under the Exchange Act and is materially prejudicial or onerous for Pubco to include or (ii) the negotiation or consummation of a transaction by Pubco or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event Pubco's board of directors reasonably believes, upon the advice of legal counsel (which may be in-house counsel), would require additional disclosure by Pubco in the Registration Statement of material information that Pubco has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of Pubco's board of directors, upon the advice of legal counsel (which may be in-house counsel), to cause the Registration Statement to fail to comply with applicable disclosure requirements or (iii) in the good faith judgment of the majority of Pubco's board of directors, such filing or effectiveness or use of such Registration Statement, would be seriously detrimental to Pubco and the majority of the board of directors of Pubco concludes as a result that it is essential to defer such filing because it would (x) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (y) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act (each such circumstance in subclauses (i) – (iii), a "**Suspension Event**"); provided, however, that Pubco may not delay or suspend the Registration Statement on more than three (3) occasions or for more than ninety (90) consecutive calendar days, or more than one hundred and twenty (120) total calendar days, in each case during any twelve (12)-month period. Upon receipt of any written notice from Pubco of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Seller agrees that (i) it will immediately discontinue offers and sales of the Sale Shares under the Registration Statement until such Seller receives copies of a supplemental or amended prospectus (which Pubco agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and

receives notice that any post-effective amendment has become effective or unless otherwise notified by Pubco that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by Pubco except for disclosure to such Seller's employees, agents and professional advisors who need to know such information and are obligated to keep it confidential, unless otherwise required by law or subpoena. If so directed by Pubco, such Seller will deliver to Pubco or, in such Seller's sole discretion destroy, all copies of the prospectus covering the Sale Shares in such Seller's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the Sale Shares shall not apply (i) to the extent such Seller is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

6.5 Indemnification.

(a) Pubco agrees to indemnify and hold harmless, to the extent permitted by law, each Seller, its directors, officers, employees, advisers and agents, and each person who controls such Seller (within the meaning of the Securities Act or the Exchange Act) and each affiliate of each Seller (within the meaning of Rule 405 under the Securities Act) from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement 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 Pubco by or on behalf of such Seller expressly for use therein.

(b) Each Seller agrees, severally and not jointly with any other selling shareholder under the Registration Statement, to indemnify and hold harmless Pubco, its directors and officers and agents and each person who controls Pubco (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Seller expressly for use therein. In no event shall the liability of such Seller be greater in amount than the dollar amount of the net proceeds received by such Seller upon the sale of the Sale Shares giving rise to such indemnification obligation.

(c) Any person entitled to indemnification herein shall (a) 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 prejudiced the indemnifying party) and (b) 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. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a

conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) The indemnification provided for under this Clause 6.5 shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, affiliate or controlling person of such indemnified party and shall survive the transfer of the Sale Shares purchased pursuant to this Deed.

(e) If the indemnification provided under this Clause 6.5 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. 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 this Clause 6.5, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. 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 Clause 6.5(e) from any person who was not guilty of such fraudulent misrepresentation. In no event shall the liability of a Seller (together with any indemnification obligation under this Clause 6.5) be greater in amount than the dollar amount of the net proceeds received by such Seller upon the sale of the Sale Shares giving rise to such contribution obligation.

7. CONFIDENTIALITY AND ANNOUNCEMENTS

7.1 Subject to Clause 7.4, Pubco and each Seller:

(a) shall treat as strictly confidential the provisions of this Deed and the other Transaction Documents and the process of their negotiation (the "**Confidential Information**"); and

(b) shall not, except with the prior written consent of the other parties, make use of (save for the purposes of performing its obligations under this Deed and the BCA) or disclose to any person (other than its Representatives in accordance with Clause 7.2) any Confidential Information.

7.2 Pubco and each Seller undertakes that it shall only disclose Confidential Information to its Representatives where it is reasonably required for the purposes of performing its obligations under this Deed or the other Transaction Documents and only where such recipients are

informed of the confidential nature of the Confidential Information and the provisions of this Clause 6 and instructed to comply with this Clause 6 as if they were a party to it.

7.3 Subject to Clause 7.4, neither Pubco nor any Seller shall make any announcement (including any communication to the public, to any customers or suppliers of the Company) concerning the subject matter of this Deed without the prior written consent of the other parties.

7.4 Clauses 7.1 and 7.3 shall not apply if and to the extent that such party using or disclosing Confidential Information or making such announcement can demonstrate that:

(a) such disclosure or announcement is required by applicable law or by any stock exchange or any supervisory, regulatory, governmental or anti-trust body (including, for the avoidance of doubt, any tax authority) having applicable jurisdiction; or

(b) the Confidential Information concerned has come into the public domain other than through its fault (or that of its Representatives) or the fault of any person to whom such Confidential Information has been disclosed in accordance with this Clause 7.4.

7.5 The provisions of this Clause 6 shall survive termination of this Deed, and shall continue for a period of three (3) years from the date of this Deed is terminated in accordance with its terms.

8. FURTHER ASSURANCE

Each party shall, at its own cost, promptly execute and deliver all such documents and do all such things and provide all such information and assistance, as the other parties may from time to time reasonably require for the purpose of giving full effect to the provisions of this Deed and to secure for the parties the full benefit of the rights, powers and remedies conferred upon it under this Deed.

9. POWER OF ATTORNEY

9.1 From Completion and for so long after Completion as each Seller remains the registered holder of any A Ordinary Shares, it shall appoint Pubco to be its lawful attorney (the "**Attorney**") to exercise all rights in relation to all such A Ordinary Shares as Pubco in its absolute discretion sees fit.

9.2 The power of attorney given in Clause 9.1 shall be irrevocable, save with the consent of Pubco, and is given by way of security to secure the proprietary interest of Pubco as purchaser of the relevant A Ordinary Shares, but shall expire on the date on which Pubco is entered in the register of members of the Company as holder of the relevant A Ordinary Shares.

9.3 For so long as the power of attorney given in Clause 9.1 remains in force, each Seller undertakes:

(a) not to exercise any rights which attach to the relevant A Ordinary Shares or are exercisable in its capacity as registered holder of the relevant A Ordinary Shares without Pubco's prior written consent;

(b) to hold on trust for Pubco all dividends and other distributions of profits or assets received by such Seller in respect of the relevant A Ordinary Shares and to promptly notify Pubco as attorney of anything received by such Seller in its capacity as registered holder of the relevant A Ordinary Shares;

(c) to act promptly in accordance with Pubco's instructions in relation to any rights exercisable or anything received by it in its capacity as registered holder of the relevant A Ordinary Shares; and

(d) to ratify whatever Pubco may do as attorney in its name or on its behalf in exercising the powers contained in this Clause 9.

9.4 Nothing in Clause 9.3 shall require any Seller to take any action (or require it to omit to take any action) where such action or omission would breach any applicable laws.

9.5 Notwithstanding the foregoing, the power and authority granted pursuant to Clause 9.1 shall in no way authorize the Attorney to:

(a) increase the obligations or alter or remove any existing rights of any Seller under the Convertible Loan Note Instrument or in connection with any securities issuable pursuant thereto (excluding the right to convert the Notes, which each Seller expressly authorizes); and

(b) subject any Seller to any non-compete, non-investment or non-solicitation or similar clause or any unlimited liability (excluding fraud by the Seller).

10. ENTIRE AGREEMENT AND REMEDIES

10.1 This Deed and the other Transaction Documents together set out the entire agreement between the parties relating to the sale and purchase of the A Ordinary Shares and, save to the extent expressly set out in this Deed or any other Transaction Document, supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties, promises, assurances and arrangements of any nature whatsoever, whether or not in writing, relating thereto. This Clause shall not exclude any liability for or remedy in respect of fraudulent misrepresentation.

10.2 The rights, powers, privileges and remedies provided in this Deed are cumulative and not exclusive of any rights, powers, privileges or remedies provided by law.

10.3 This Deed shall automatically terminate and the Sale Transaction shall be abandoned immediately upon the termination of the BCA in accordance with the terms thereof. In the event of such termination, save where expressly stated to the contrary in this Deed, the rights and obligations of the parties hereunder shall be of no further force and effect, provided that nothing in this Clause 10.3 shall act so as to restrict the rights and liabilities of the parties in relation to a breach of this Deed prior to such termination. Furthermore, in the event of such termination, no Released Person (as such term is defined below) shall have any liability or any obligation of any nature to any Releasing Person (as such term is defined below) under this Deed. If the Completion does not take place concurrently with the Share Acquisition Closing, each Seller shall have the right to terminate all of its obligations under this Deed at any time by providing notice of such termination to Pubco.

11. RELEASE

11.1 Effective as of termination of the BCA, to the fullest extent permitted by applicable law, each Seller, on behalf of itself and its Affiliates (the "**Releasing Persons**"), hereby releases and discharges Pubco, the Company, Broadstone, the Sponsor and Merger Sub, and each of their directors, officers, employees and Affiliates (the "**Released Persons**"), from and against any and all actions, both at law and in equity (excluding fraud), for any "loss of opportunity or chance" or similar cause of action in connection with this Deed and the BCA.

12. WAIVER AND VARIATION

12.1 A failure or delay by a party to exercise any right or remedy provided under this Deed or by law, whether by conduct or otherwise, shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Deed or by law, whether

by conduct or otherwise, shall preclude or restrict the further exercise of that or any other right or remedy.

12.2 A waiver of any right or remedy under this Deed shall only be effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

12.3 No variation or amendment of this Deed shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to this Deed. Unless expressly agreed, no variation or amendment shall constitute a general waiver of any provision of this Deed, nor shall it affect any rights or obligations under or pursuant to this Deed which have already accrued up to the date of variation or amendment and the rights and obligations under or pursuant to this Deed shall remain in full force and effect except and only to the extent that they are varied or amended.

13. INVALIDITY

Where any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then such provision shall be deemed to be severed from this Deed and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the parties under this Deed and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Deed.

14. ASSIGNMENT

No person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Deed nor grant, declare, create or dispose of any right or interest in it, except to its Affiliates (an "**Affiliate Transfer**"). Prior to an Affiliate Transfer, the transferor shall give written notice to the other parties to this Deed.

15. NOTICES

15.1 Any notice or other communication given under this Deed or in connection with the matters contemplated herein shall, except where otherwise specifically provided, be in writing in the English language, addressed as provided in Clause 15.2 and served:

(a) by hand to the relevant address, in which case it shall be deemed to have been given upon delivery to that address provided that any notice delivered outside Working Hours shall be deemed given at the start of the next period of Working Hours;

(b) by courier (or if from or to any place outside the United Kingdom, by reputable, nationally recognised overnight courier service) to the relevant address, in which case it shall be deemed to have been given two Business Days after its delivery to a representative of the courier; or

(c) by e-mail to the relevant email address, in which case it shall, subject to no automated notification of delivery failure being received by the sender, be deemed to have been given when despatched provided that any email despatched outside Working Hours shall be deemed given at the start of the next period of Working Hours,

provided, however, that notice given pursuant to Clauses 15.1(a) and 15.1(b) shall not be effective unless a duplicate copy of such notice is also given by hand or by e-mail.

15.2 Notices under this Deed shall be sent for the attention of the person and to the address or e-mail address, subject to Clause 15.3, as set out below:

For the Sellers:

to the address set out on the signature page of the respective Seller;

For Pubco:

Name:	Pubco
For the attention of:	Vertical Aerospace Ltd.
Address:	140-142 Kensington Church StreetLondon, England W8 4BN
E-mail:	#######@######.com

with a copy (which shall not constitute notice) to:

Name:	Latham & Watkins (London) LLP
For the attention of:	J. David Stewart and Robbie McLaren
Address:	99 Bishopsgate London, EC2M 3XF United Kingdom
E-mail:	########@##.com and ########@##.com

15.3 Any party to this Deed may notify each other party of any change to its address or other details specified in Clause 15.2 provided that such notification shall only be effective on the date specified in such notice or five Business Days after the notice is given, whichever is later.

16. COSTS

Except as otherwise provided in this Deed, each party shall bear its own costs arising out of or in connection with the preparation, negotiation and implementation of this Deed and all other Transaction Documents.

17. RIGHTS OF THIRD PARTIES

Save where expressly provided in respect of a Released Person, a person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

18. COUNTERPARTS

This Deed may be executed in any number of counterparts. Each counterpart shall constitute an original of this Deed but all the counterparts together shall constitute but one and the same instrument.

19. GOVERNING LAW AND JURISDICTION

19.1 This Deed and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

19.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

19.3 For the purposes of this Clause, "**Dispute**" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Deed, including a dispute regarding the existence, formation, validity, interpretation, performance, breach or termination of this Deed and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Deed.

SCHEDULE 1

THE SELLERS

(A) Seller	(B) Loan Amount	(C) A Ordinary Shares	(D) Exchange Shares
Microsoft Corporation	£15,000,000	7,736	9,420,621
Rocket Internet SE	£10,000,000	5,157	6,280,414

SCHEDULE 2

LOCK-UP AGREEMENT

THIS LOCK-UP AGREEMENT (the "**Agreement**") is made and entered into as of [λ], 2021 between [NAME OF HOLDER] (the "***Holder***") and Vertical Aerospace Ltd., a Cayman Islands exempted company incorporated with limited liability, with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("***Pubco***"). The Holder and Pubco are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Business Combination Agreement (as defined below).

WHEREAS, Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 and having its registered office at 140-142 Kensington Church Street, London, England W8 4BN (the "***Company***"), Pubco and Broadstone Acquisition Corp., a Cayman Islands exempted company ("***Broadstone***") among others, entered into a business combination agreement, dated June [λ], 2021 (the "***Business Combination Agreement***");

WHEREAS, Holder and Pubco entered into a share purchase agreement dated June [λ], 2021, pursuant to which Holder agreed to sell and transfer, and Pubco agreed to purchase, 100% of the A Ordinary Shares held by the Holder (the "***SPA***");

WHEREAS, upon consummation of the transactions contemplated by the Business Combination Agreement and the SPA, the Holder will hold such number of Pubco Ordinary Shares set forth in column B on Schedule 1 (together with any securities paid as dividends or distributions with respect to such securities or into which such securities are exchanged or converted, the "***Shares***"); and

WHEREAS, pursuant to the SPA, and in view of the valuable consideration to be received by the Holder thereunder, Pubco and the Holder desire to enter into this Agreement, pursuant to which (i) the Shares and (ii) the number of Pubco Ordinary Shares held by the Holder immediately following consummation of the Transactions and set forth in column C on Schedule 1 (together with any securities paid as dividends or distributions with respect to such securities or into which such securities are exchanged or converted, the "***Earnout Restricted Securities***") shall become subject to the limitations on disposition and other restrictions as set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, which are incorporated in this Agreement as if fully set forth below, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. For the purposes of this Agreement:

(a) The term "***A Ordinary Shares***" means A ordinary shares of £0.00001 each in the capital of the Company;

(b) the term "***Closing Date***" means the date on which the Share Acquisition Closing takes place;

(c) the term "***First Earnout Threshold Date***" means the date on which the sale price of the Pubco Ordinary Shares equals or exceeds $15.00 per share for any twenty (20) trading days within any thirty (30) trading day period;

(d) the term "***Immediate Family***" means, with respect to any natural person, any of the following: such person's spouse, the siblings of such person and his or her spouse, and the direct descendants and ascendants (including adopted and step children and parents) of such person and his or her spouses and siblings;

(e) the term "***Lock-Up Period***" means the period beginning on the Closing Date and ending on the date that is three (3) years after the Closing Date;

(f) the term "***Lock-Up Shares***" means the Pubco Ordinary Shares held by the Holder immediately following the Share Acquisition Closing (for the avoidance of any doubt, (x) including the Shares, and (y) excluding (1) Pubco Ordinary Shares acquired in the public market after the Closing Date (2) Pubco Ordinary Shares acquired in a private placement concurrently with the consummation of the Share Acquisition and (3) Pubco Ordinary Shares acquired pursuant to a transaction exempt from registration under the Securities Act), together with any securities paid as dividends or distributions with respect to such securities or into which such securities are exchanged or converted;

(g) the term "***Long Stop Date***" means the date that is five (5) years after the Closing Date;

(h) the term "***Other Lock-Up Agreement***" means any other lock-up agreement with respect to Pubco Ordinary Shares or those convertible in to such shares to be entered into in connection with the transactions contemplated by the Business Combination Agreement;

(i) the term "***Permitted Transferees***" means any Person to whom the Holder is permitted to transfer Lock-Up Shares prior to the expiration of the Lock-Up Period pursuant to Section 2(a);

(j) the term "***Restricted Period***" means the period beginning on the Closing Date and ending on the earlier of (i) the Second Earnout Threshold Date and (ii) the Long Stop Date;

(k) the term "***Second Earnout Threshold Date***" means the date on which the sale price of the Pubco Ordinary Shares equals or exceeds $20.00 per share for any twenty (20) trading days within any thirty (30) trading day period; and

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

2. Lock-Up Provisions.

(a) Notwithstanding the provisions set forth in Section 2(b), the Holder or any of its Permitted Transferees may Transfer any or all of the Lock-Up Shares during the Lock-Up Period: (i) to the Holder's officers or directors; (ii) to any Affiliate(s) of the Holder; (iii) in respect of (i) or (ii), in the case of an individual, by gift to a member of such individual's Immediate Family or to a trust, the beneficiary of which is a member of such individual's Immediate Family or to a charitable organization; (iv) in respect of (i), (ii) or (iii), in the case of an individual, by virtue of laws of descent and distribution upon death of such individual or pursuant to operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; (v) in the case of a Holder (or any Permitted Transferee) that is a corporation, partnership, limited liability company, trust or other business entity, to any partners (general or limited), beneficiaries, members, managers, shareholders or holders of similar equity interests in the Holder (or, in each case, its nominee or custodian) or any of their Affiliates; (vi) by virtue of any binding law or order of a governmental entity or by virtue of the Holder's organizational documents upon liquidation or dissolution of the Holder; (vii) for the purposes of granting a pledge(s) of Lock-Up Shares as security or collateral in connection with any borrowing or the incurrence of any indebtedness by the Holder (provided such borrowing or incurrence of indebtedness is secured by a portfolio of assets or equity interests issued by multiple issuers); or (viii) pursuant to a bona fide tender offer, merger, consolidation or other similar transaction, in each case made to all holders of Pubco Ordinary Shares, involving a change of Control (including negotiating and entering into an agreement providing for any such transaction) provided, however, that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Holder's shares shall remain subject to the provisions of Section 2(b).

(b) The Holder hereby agrees that it shall not, and shall cause any of its Permitted Transferees not to, Transfer any Lock-Up Shares during the Lock-Up Period (the "***Transfer Restriction***"), except in accordance with the following:

(i) the Transfer Restriction shall expire with respect to ten percent (10%) of the Lock-Up Shares (the "***First Tranche***") on the date hereof (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche after such date);

(ii) the Transfer Restriction shall expire with respect to an additional thirty percent (30%) of the Lock-Up Shares (the "***Second Tranche***") on the date that is one (1) year after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche and the Second Tranche after such date);

(iii) the Transfer Restriction shall expire with respect to an additional thirty percent (30%) of the Lock-Up Shares (the "***Third Tranche***") on the date that is two (2) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche, the Second Tranche and the Third Tranche after such date); and

(iv) the Transfer Restriction shall expire with respect to an additional thirty percent (30%) of the Lock-Up Shares on the date that is three (3) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to any Lock-Up Shares after such date).

(c) Notwithstanding the foregoing, if at any time the closing price of the Pubco Ordinary Shares equals or exceeds $15.00 per share (as adjusted for share capital subdivisions, mergers, consolidations, dividends, reorganizations, recapitalizations and the like) for any twenty (20) trading days within any thirty (30) trading day period that commences at least two (2) years after the Closing Date, then the Transfer Restrictions with respect to all Lock-Up Shares shall cease to apply.

(d) During the Lock-Up Period, each certificate (if any are issued) evidencing any Lock-Up Shares shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN A LOCK-UP AGREEMENT, DATED AS OF [λ], 2021, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "**ISSUER**") AND THE ISSUER'S SECURITY HOLDER NAMED THEREIN, AS AMENDED. A COPY OF SUCH LOCK-UP AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

Promptly upon the Transfer Restriction ceasing to apply in respect of a particular tranche of Lock-Up Shares in accordance with Section 2(b), Pubco shall take all reasonable steps required to remove such legend from the certificates evidencing the relevant Lock-Up Shares, including issuing new share certificates in respect of the relevant Lock-Up Shares.

(e) For the avoidance of any doubt, the Holder shall retain all of its rights as a shareholder of Pubco with respect to the Lock-Up Shares during the Lock-Up Period, including the right to vote, and to receive any dividends and distributions in respect of, any Lock-Up Shares.

3. Restrictive Provisions.

(a) The Holder hereby agrees that it shall not Transfer any Earnout Restricted Securities during the Restricted Period (the "***Earnout Restriction***"), except in accordance with the following:

(i) the Earnout Restriction shall expire with respect to fifty percent (50%) of the Earnout Restricted Securities (the "***First Earnout Tranche***") on the First Earnout Threshold Date; and

(ii) the Earnout Restriction shall expire with respect to an additional fifty percent (50%) of the Earnout Restricted Securities (the "***Second Earnout Tranche***") on the Second Earnout

Threshold Date (for the avoidance of doubt no Earnout Restriction shall apply to any Earnout Restricted Securities following the Second Earnout Threshold Date).

(b) Notwithstanding the foregoing, if the First Earnout Threshold Date and the Second Earnout Threshold Date do not occur prior to the Long Stop Date, then on the Long Stop Date all Earnout Restricted Securities will be irrevocably forfeited and surrendered to Pubco for cancellation and for nil consideration. Holder hereby irrevocably consents to such surrender and undertakes to take all reasonable actions necessary to effect such surrender as may be requested by Pubco.

(c) During the Restricted Period, each certificate (if any are issued) evidencing any Earnout Restricted Securities shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, VOTING, DIVIDENDS AND OTHER RIGHTS SET FORTH IN A LOCK-UP AGREEMENT, DATED AS OF [λ], 2021, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "**ISSUER**") AND THE ISSUER'S SECURITY HOLDER NAMED THEREIN, AS AMENDED. A COPY OF SUCH LOCK-UP AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

(d) During the Restricted Period, the Earnout Restricted Securities that are subject to an Earnout Restriction do not entitle the Holder (or any transferee thereof) to any voting rights, pre-emption rights, dividends or other rights as a shareholder of Pubco prior to expiration of the applicable Earnout Restriction in accordance with Section 3(a). The restrictions set forth in this Section 3 shall only apply with respect to the Earnout Restricted Securities and shall not apply to any other Pubco Ordinary Shares the Holder may hold.

(e) Notwithstanding the foregoing and for the avoidance of any doubt, the First Earnout Tranche and the Second Earnout Tranche shall remain subject to the Transfer Restrictions, to the extent that such are applicable at the First Earnout Threshold Date and at the Second Earnout Threshold Date, as applicable.

4. Miscellaneous.

(a) Adjustment. The share prices referenced in this Agreement will be equitably adjusted on account of any changes in the equity securities of Pubco by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or business combination, or by any other means.

(b) Transfers. If any Transfer is made or attempted contrary to the provisions of this Agreement, such Transfer shall be null and void ab initio, and Pubco shall refuse to recognize any such transferee of the Lock-Up Shares or Restricted Securities, as applicable, as one of its equity holders for any purpose. In order to enforce this Section 4(b), Pubco may impose stop-transfer instructions with respect to any relevant Lock-Up Shares or Earnout Restricted Securities (and any permitted transferees and assigns thereof), as applicable, until the end of the Lock-Up Period or the Restricted Period, as applicable.

(c) Termination of the Business Combination Agreement. Notwithstanding anything to the contrary contained herein, in the event that the Business Combination Agreement is terminated in accordance with its terms prior to the Closing Date, this Agreement and all rights and obligations of the Parties hereunder shall automatically terminate and be of no further force or effect.

(d) Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Except as otherwise provided in this Agreement, this Agreement and all obligations of the Parties are personal to the Parties and may not be transferred or delegated by the Parties at any time.

(e) Third Parties. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed

to have been executed for the benefit of, any person or entity that is not a Party hereto or thereto or a successor or permitted assign of such a Party.

(f) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement, for and on behalf of itself or any of its properties or assets, in accordance with this Section 4(f) or in such other manner as may be permitted by applicable law, that such process may be served in the manner of giving notices in Section 4(i) and that nothing in this Section 4(f) shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

(g) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4(g).

(h) Interpretation. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement. In this Agreement, unless the context otherwise requires: (i) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (ii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words "without limitation"; (iii) the words "herein," "hereto," and "hereby" and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular section or other subdivision of this Agreement; and (iv) the term "or" means "and/or". The Parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (i) in person, (ii) by e-mail (having obtained electronic delivery confirmation thereof), (iii) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (iv) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, *provided*, *however*, that notice given pursuant to clauses (iii) and (iv) above shall not be effective unless a duplicate copy of such notice is also given in person or by e-mail (having obtained

electronic delivery confirmation thereof), in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to Pubco, to:	*With a copy to (which shall not constitute notice):*
Vertical Aerospace Ltd. 140-142 Kensington Church Street London, England W8 4BN United Kingdom #######@#######.com	Latham & Watkins (London) LLP 99 Bishopsgate London, EC2M 3XF United Kingdom Attn: David Stewart and Robbie McLaren Email: #######@##.com and #########@##.com
If to the Holder, to:	*With a copy to (which shall not constitute notice):*
[●]	[●]

(j) Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of Pubco and the Holder. No failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

(k) Other Lock-Up Agreements. Pubco hereby agrees that: (i) if, after the date hereof, any Other Lock-Up Agreement is amended, modified or waived in a manner favorable to any other party to any Other Lock-Up Agreement and a similar amendment, modification or waiver would also be favorable to the Holder in relation to the terms of this Agreement, this Agreement shall be contemporaneously amended in the same manner and Pubco shall provide prompt notice thereof to the Holder; and (ii) if any other party to any Other Lock-Up Agreement is released (including through the termination of the relevant Other Lock-Up Agreement) from any or all of the lock-up restrictions under its respective Other Lock-Up Agreement, other than in accordance with the terms of such Other Lock-Up Agreement, the Holder will be similarly and contemporaneously released from the applicable lock-up restrictions hereunder and Pubco shall provide prompt notice hereof to the Holder.

(l) Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

(m) Specific Performance. The Holder acknowledges that its obligations under this Agreement are unique, recognizes and affirms that in the event of a breach of this Agreement by the Holder, money damages will be inadequate and Pubco will have no adequate remedy at law, and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Holder in accordance with their specific terms or were otherwise breached. Accordingly, Pubco shall be entitled to an injunction or restraining order to prevent breaches of this Agreement by the Holder and to enforce specifically the terms and provisions hereof, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

(n) Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties is expressly canceled; *provided*, that, for the avoidance of

doubt, the foregoing shall not affect the rights and obligations of the Parties under the Business Combination Agreement or any Ancillary Document. Notwithstanding the foregoing, nothing in this Agreement shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under any other agreement between the Holder and Pubco, or any certificate or instrument executed by the Holder in favor of Pubco, and nothing in any other agreement, certificate or instrument shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under this Agreement.

(o) Further Assurances. From time to time, at another Party's request and without further consideration (but at the requesting Party's reasonable cost and expense), each Party shall execute and deliver such additional documents and take all such further action as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

(p) Counterparts; Facsimile. This Agreement may also be executed and delivered by facsimile signature or by email in portable document format in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

SCHEDULE 1

(A) Name Of Holder	(B) Number Of Shares	(C) Number of Restricted Securities
[●]	[●]	[●]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HOLDER:

[•]

By: _____
Name:
Title:

PUBCO:

VERTICAL AEROSPACE LTD.

By: _____
Name:
Title:

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

PUBCO:

EXECUTED and delivered	)	
as a DEED by	)	
VERTICAL AEROSPACE LTD.	)	
acting by a person authorized to act on behalf of the company	)	/s/ Vinny Casey
under the laws of the Cayman Islands	)	Name: Vinny Casey

in the presence of:

/s/ Jemma Casey	Signature of Witness
Jemma Casey	Name of Witness
N/A	Occupation of Witness
##########	Address of Witness
##########	

[*Signature page to Share Purchase Deed*]

THE SELLERS:

EXECUTED and delivered	)	
as a DEED by	)	
MICROSOFT CORPORATION	)	
acting by a person authorized to act on behalf of the company	)	/s/ Keith R. Dolliver
under the laws of the state of Washington	)	Name: Keith R. Dolliver

Notice details for Microsoft Corporation

Name:	Microsoft Corporation
For the attention of:	Garrett Krueger
Address:	One Microsoft Way, Redmond, WA 98052-6399, USA
E-mail:	##########@##########
	with a copy (which shall not constitute notice to)
	Matthew Goldstein (##########@##########)
	and
	Michael Young (##########@##########)

[*Signature page to Share Purchase Deed*]

EXECUTED and delivered	)	
as a DEED by	)	
ROCKET INTERNET SE	)	
acting by a person authorized to act on behalf of the company	)	/s/ Arnd Lodowicks
under the laws of Germany	)	Name: Arnd Lodowicks

in the presence of:

/s/ Gregor Janknecht	Signature of Witness
Gregor Janknecht	Name of Witness
Managing Director	Occupation of Witness
Charlottenstr. 4, 10969 Berlin, Germany	Address of Witness

Notice details for Rocket Internet SE

Name:	Rocket Internet SE
For the attention of:	Inka Brunn
Address:	Charlottenstr. 4, 10969 Berlin, Germany
E-mail:	##########@######### ##########@######### ##########@#########

[*Signature page to Share Purchase Deed*]

Exhibit 4.11

THIS DEED is made on June 10 2021

BETWEEN

(1) **THE PERSON** whose details are set out in Schedule 1 (the "**Seller**"); and

(2) **VERTICAL AEROSPACE LTD.**, a Cayman Islands limited by shares with its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Pubco**").

WHEREAS

(A) Concurrently with the execution of this Deed, (1) Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 (the "**Company**"); (2) Broadstone Acquisition Corp., a Cayman Islands exempted company ("**Broadstone**"); (3) Broadstone Sponsor LLP, a United Kingdom limited liability partnership (the "**Sponsor**"); (4) Vertical Merger Sub Ltd., a Cayman Islands company limited by shares ("**Merger Sub**"); (5) Pubco; (6) Vincent Casey; and (7) the Company Shareholders (as defined in the BCA) shall enter into a business combination agreement (the "**BCA**") pursuant to which, among other things, (a) Broadstone will merge with and into Merger Sub (the "**Merger**"), as a result of which (i) the separate corporate existence of Merger Sub shall cease and Broadstone shall continue as the surviving company and (ii) each issued and outstanding security of Broadstone immediately prior to the Merger Effective Time (as defined in the BCA) shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of Pubco, and (b) Pubco will acquire all of the issued and outstanding securities of the Company in exchange for the right of the holders thereof to receive a substantially equivalent security of Pubco (the "**Share Acquisition**" and, together with the Merger and the other transactions contemplated by the BCA, the "**Transactions**").

(B) On the date hereof, the Company has issued, and the Seller has subscribed for, Z Ordinary Shares pursuant to the Subscription Agreement, in accordance with the terms therein.

(C) The Seller shall sell, and Pubco shall acquire, all the Z Ordinary Shares held by the Seller subject to the terms and conditions of this Deed with such sale to be consummated concurrently with the Transactions.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context otherwise requires:

"**Z Ordinary Shares**" means Z ordinary shares of £0.00001 each in the capital of the Company;

"**Affiliate**" means, in relation to a body corporate, any subsidiary or holding company of such body corporate, and any subsidiary of any such holding company, in each case from time to time;

"**Agreed Form**" means, in relation to any document, the form of that document which has been mutually agreed by the parties;

"**BCA**" has the meaning given in Recital A;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks in (i) New York City, USA, (ii) London, England, and (iii) George Town, Cayman Islands are open for ordinary banking business;

"**Call Option Agreement**" means the call option agreement in substantially the form attached hereto as Schedule 4, to be entered into at Completion;

"**Commission**" means the Securities and Exchange Commission;

"**Company**" has the meaning given in Recital A;

"**Completion**" means completion of the sale and purchase of the Sale Shares in accordance with Clause 4;

"**Confidential Information**" has the meaning given in Clause 7.1;

"**Consideration**" has the meaning given in Clause 3;

"**Deed**" means this deed;

"**Effectiveness Date**" has the meaning given in Clause 6.1;

"**Encumbrance**" means any interest or equity of any person (including any right to acquire, option or right of pre-emption), any mortgage, charge, pledge, lien, assignment, hypothecation, security interest (including any created by law), title retention or other security agreement or arrangement;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Exchange Shares**" means the ordinary shares, with $0.0001 par value, of Pubco;

"**Filing Date**" has the meaning given in Clause 6.1;

"**Lockup Agreement**" means the lockup agreement in substantially the form attached hereto as Schedule 2, to be entered into at Completion;

"**Outstanding Options**" means, at the relevant time, all outstanding options, warrants or other outstanding rights (whether or not conditional or contingent and assuming full performance of any performance linked rights), to subscribe for equity shares of Pubco or securities which are convertible into equity shares of the Pubco;

"**Registrable Securities**" has the meaning given in Clause 6.1

"**Registration Statement**" has the meaning given in Clause 6.1

"**Representatives**" means, in relation to a party, its Affiliates and their respective directors, officers, employees, agents, consultants and advisers;

"**Registration Statement**" has the meaning given in the BCA;

"**Sale Shares**" has the meaning given in Clause 2;

"**Securities Act"** has the meaning given in Clause 3.3;

"**Share Acquisition Closing**" has the meaning given in the BCA;

"**Suspension Event**" has the meaning given in Clause 6.4;

"**Subscription Agreement**" means the subscription agreement dated as of the day hereof, pursuant to which the Seller subscribed for the Sale Shares;

"**Transaction**" means the transactions contemplated by this Deed and/or the other Transaction Documents or any part thereof;

"**Transaction Documents**" means this Deed and any other documents entered into by the parties in connection with the Transaction;

"**Transfer Agent**" has the meaning given in the BCA; and

"**Working Hours**" means 9:30 am to 5:30 pm on a Business Day based on the time at the location of the address of the recipient of the relevant notice.

1.2 In this Deed, unless the context otherwise requires:

(a) "holding company" and "subsidiary" mean "holding company" and "subsidiary" respectively as defined in section 1159 of the Companies Act 2006;

(b) every reference to a particular law shall be construed also as a reference to all other laws made under the law referred to and to all such laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other laws from time to time and whether before or after Completion provided that, as between the parties, no such amendment or modification shall apply for the purposes of this Deed to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;

(c) references to clauses, recitals and schedules are references to Clauses and Recitals of and Schedules to this Deed, references to paragraphs are references to paragraphs of the Schedule in which the reference appears and references to this Deed include the Schedules;

(d) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(e) references to a "party" means a party to this Deed and includes its successors in title, personal representatives and permitted assigns;

(f) references to a "person" includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;

(g) references to a "company" includes any company, corporation or other body corporate wherever and however incorporated or established;

(h) references to "£" are references to the lawful currency from time to time of the United Kingdom;

(i) references to times of the day are to London time unless otherwise stated;

(j) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(k) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court official or any other legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;

(l) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(m) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

1.3 The headings and sub-headings in this Deed are inserted for convenience only and shall not affect the construction of this Deed.

1.4 The schedule to this Deed shall form part of this Deed.

1.5 References to this Deed include this Deed as amended or varied in accordance with its terms.

2. SALE OF Z ORDINARY SHARES

On the terms set out in this Deed, the Seller shall sell and transfer to Pubco, and Pubco shall purchase from the Seller with effect from Completion the number of Z Ordinary Shares as set out next to the name of the Seller in column (B) of Schedule 1 (the "**Sale Shares**"), with all of the legal and beneficial title to the Sale Shares with full title guarantee, free from all Encumbrances, together with all rights attaching to the Sale Shares as at Completion (including all dividends and distributions declared, paid or made in respect of the Sale Shares after Completion).

3. CONSIDERATION

3.1 Subject to and upon the terms and conditions of this Deed, in full payment for the Sale Shares, Pubco shall, without duplication, issue and deliver to the Seller free from all Encumbrances the number of Exchange Shares as set out next to the name of the Seller in column (C) of Schedule 1 at Completion (the "**Exchange Shares**").

3.2 Prior to Completion, the Seller shall provide written instructions to Pubco and its Transfer Agent to issue and deliver the Exchange Shares in accordance with Schedule 1.

3.3 Pubco shall (a) cause the offer and sale of the Exchange Shares that are to be issued to the Seller pursuant to this Deed to be registered under the U.S. Securities Act of 1933 (as amended) (the "**Securities Act**") with the U.S. Securities and Exchange Commission (the "**SEC**") pursuant to Section 6 of this Deed and (b) cause the Exchange Shares that are to be issued to the Seller pursuant to this Deed to be listed on the New York Stock Exchange ("**NYSE**").

4. COMPLETION

4.1 During the period beginning on the date of this Deed and ending on the earliest of (i) Completion, (ii) termination of this Deed and (iii) the date on which the BCA is terminated in accordance with its terms, the Seller agrees not to sell, transfer, assign, novate or otherwise dispose of the Sale Shares or create an Encumbrance over the Sale Shares without the prior written consent of Pubco.

4.2 Completion shall take place concurrently with the Share Acquisition Closing. Pubco shall notify the Seller as soon as commercially practicable, but in no event later than two (2) Business Days prior to the Share Acquisition Closing of the time and date of the Share Acquisition Closing.

4.3 At Completion:

(a) The Seller shall deliver to Pubco or procure the delivery to Pubco of:

(i) all documents, duly executed and/or endorsed where required, required to enable title to all of the Sale Shares held by that Seller to pass into the name of Pubco (or its nominees); and

(ii) a copy of any power of attorney in Agreed Form under which any document to be executed by the Seller under this Deed has been executed; and

(b) Pubco shall cause the Exchange Shares to be issued and delivered to the Seller in accordance with Clauses 3.1 and 3.2; and

(c) Pubco and the Seller shall enter into the Lockup Agreement; and

(d) Pubco and the Seller shall enter into the Call Option Agreement.

4.4 Without prejudice to any other rights and remedies Pubco may have, Pubco shall not be obliged to complete the sale and purchase of the Sale Shares pursuant to this Deed unless the Merger has been consummated.

5. WARRANTIES

5.1 The Seller, solely on behalf of itself, hereby warrants severally (not jointly and not jointly and severally) to Pubco as of the date of this Deed:

(a) it has completed its independent inquiry and has relied fully upon the advice of legal counsel, tax, accountant, financial and other Representatives in determining the legal, tax, financial and other consequences of this Deed and the transactions contemplated hereby and the suitability of this Deed and the transactions contemplated hereby for itself and its particular circumstances, and, except as set forth herein, it has not relied upon any representations or advice by Pubco, the Company or their relevant Representatives.

5.2 The Seller hereby warrants to Pubco as of the date of this Deed and as of Completion:

(a) the Sale Shares are free from all Encumbrances;

(b) (i) the Sale Shares are the only shares held by it in the Company and (ii) it is not a party to any agreement or arrangement pursuant to which it may receive additional shares in the Company (including but not limited to as a result of a subscription for, purchase, allotment or issue of shares, or conversion of any instrument or right into shares), nor is it contemplated that it will in the future become a party to any such agreement or arrangement, except in the case of item (ii) in this Section 5.2(b), as contemplated by the Subscription Agreement;

(c) it is the sole legal and beneficial owner of the Sale Shares and it is entitled to transfer the full ownership of the Sale Shares on the terms set out in this Deed;

(d) no commitment has been given by the Seller to create an Encumbrance affecting the Sale Shares (or any unissued shares or debentures or other unissued securities of the Company) and, to the knowledge of the Seller, no person has claimed any rights in connection with any of those things;

(e) any and all amounts to be paid to or by the Seller in connection with the subscription for the Sale Shares (including pursuant to applicable tax laws) have been paid and/or provided for, such that no claims associated with the subscription for the Sale Shares can be asserted by or against the Seller;

(f) there are no voting trusts, proxies, shareholder agreements or any other written agreements or understandings, to which it is a party or by which it is bound, with respect to the voting or transfer of the Sale Shares other than this Deed; and

(g) it does not have any contract, agreement or arrangement with any person to sell, transfer or grant participations to such person, or to any third party, with respect to the Exchange Shares.

5.3 Each party, solely on behalf of itself, hereby warrants severally (not jointly and not jointly and severally) to each other party as of the date of this Deed and as of Completion that:

(a) it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, as applicable, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(b) it has taken all necessary action and has all requisite power and authority to enter into and perform this Deed in accordance with its terms;

(c) this Deed has been delivered, duly and validly executed;

(d) this Deed constitutes (or shall constitute when executed) valid, legal and binding obligations on it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity (including concepts of materiality, reasonableness, good faith and fair dealing with respect to those jurisdictions that recognize such concepts);

(e) the performance of and compliance with the terms and provisions of this Deed will not conflict with or result in a breach of, or constitute a default under, any agreement or instrument by which it is bound, or any law, order or judgment that applies to or binds it or any of its property;

(f) no consent, action, approval or authorisation of, and no registration, declaration, notification or filing with or to, any competent governmental, administrative or supervisory authority is required to be obtained, or made, by it to authorise the execution or performance of this Deed by it; and

(g) there is no pending or, to its knowledge, threatened litigation or claim, nor any outstanding governmental order, against or involving it, whether at law or equity, before or by any governmental authority, which would reasonably be expected to materially and adversely affect its ability to consummate the transactions contemplated by this Deed.

5.4 Pubco hereby warrants to the Seller as of Completion that:

(a) the Exchange Shares issued to the Seller are duly authorized, validly issued, fully paid and nonassessable and free of all Encumbrances; and

(b) immediately following Completion, and assuming no redemptions in connection with the Merger: (1) the entire issued equity share capital of Pubco; and (2) all of those shares in the capital of Pubco which Pubco is obliged to issue upon the exercise in full of all Outstanding Options shall be as set forth in columns 1 and 2, respectively, on Schedule 3.

5.5 Each of the warranties in Clauses 5.1, 5.3, 5.3 and 5.4 is separate and independent and, unless otherwise specifically provided, shall not be restricted or limited by reference to any other warranty or term of this Deed.

6. REGISTRATION STATEMENT.

For purposes of this Clause 6, the Exchange Shares included in the Registration Statement shall include, as of any date of determination, the Exchange Shares and any other equity security of Pubco issued or issuable with respect to the Exchange Shares by way of share division, stock split, dividend, distribution, recapitalization, merger, exchange, replacement or similar event or otherwise.

6.1 Pubco agrees that, within thirty (30) calendar days after the consummation of the Transactions (the "**Filing Date**"), Pubco will file with the Commission (at Pubco's sole cost and expense) a registration statement (the "**Registration Statement**") registering the resale of the Exchange Shares (the "**Registrable Securities**"), and Pubco shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but not later than the earlier of (i) sixty (60) calendar days following the consummation of the Transactions, (ii) ninety (90) calendar days following the consummation of the Transactions if the Commission notifies Pubco that it will "review" the Registration Statement or (iii) ten (10) Business Days after the date Pubco is notified (orally or in writing, whichever is earlier) by the Commission that the Registration Statement will not be "reviewed" or will not be subject to further review (such date, the "**Effectiveness Date**"); provided, however, that Pubco's obligations to include the Registrable Securities in the Registration Statement are contingent upon a Seller (as applicable) furnishing a completed and executed selling shareholder's questionnaire in customary form to Pubco that contains the information required by the Commission rules for a Registration Statement regarding such Seller, the securities of Pubco held by such Seller and the intended method of disposition of the Registrable Securities to effect the registration of the Registrable Securities, and such Seller shall execute such documents in connection with such registration as Pubco may reasonably request that are customary of a selling shareholder in similar situations, including providing that Pubco shall be entitled to postpone and suspend the effectiveness or use of the Registration Statement as permitted hereunder; provided that such Seller shall not in connection with the foregoing be required to execute any lock-up or similar agreement or otherwise be subject to any contractual restriction on the ability to transfer the Registrable Securities (excluding any such restrictions under the Lock-Up Agreement). Any failure by Pubco to file the Registration Statement by the Filing Date or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve Pubco of its obligations to file or effect the Registration Statement as set forth above in this Clause 6. Unless required under applicable laws and Commission rules, in no event shall a Seller be identified as a statutory underwriter in the Registration Statement; provided, that if a Seller is required to be so identified as a statutory underwriter in the Registration Statement, such Seller will have an opportunity to withdraw its Exchange Shares from the Registration Statement.

6.2 In the case of registration effected by Pubco pursuant to this Deed, Pubco shall, upon reasonable request, inform the Seller as to the status of such registration. At its expense Pubco shall:

(a) except for such times as Pubco is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption or compliance under state securities laws which Pubco determines to obtain, continuously effective with respect to such Seller, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of the following: (i) such Seller ceases to hold any Registrable Securities, (ii) the date all Registrable Securities held by such Seller may be sold without restriction under Rule 144, including without limitation, any volume and manner of sale

restrictions which may be applicable to affiliates under Rule 144 and without the requirement for Pubco to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), and (iii) two (2) years from the Effectiveness Date;

(b) advise each Seller as promptly as practicable, but in any event within five (5) Business Days:

(i) when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(iii) of the receipt by Pubco of any notification with respect to the suspension of the qualification of the Registrable Securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iv) subject to the provisions in this Deed, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

Notwithstanding anything to the contrary set forth herein, Pubco shall not, when so advising such Seller of such events, provide such Seller with any material, nonpublic information regarding Pubco other than to the extent that providing notice to such Seller of the occurrence of the events listed in (i) through (iv) of this Clause 6.2(b) constitutes material, nonpublic information regarding Pubco;

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(d) upon the occurrence of any event contemplated in Clause 6.2(b), except for such times as Pubco is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of the Registration Statement, Pubco shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) use its commercially reasonable efforts to cause all Exchange Shares to be listed on each securities exchange or market, if any, on which the Exchange Shares are then listed;

(f) use its commercially reasonable efforts to allow a Seller (as applicable) to review disclosure regarding such Seller in the Registration Statement and consider in good faith proposed revisions from such Seller; and

(g) use its commercially reasonable efforts to (x) take all other steps reasonably necessary to effect the registration of the Exchange Shares contemplated herein and (y) take such

further action as such Seller may reasonably request, all to the extent required from time to time to enable such Seller to sell such Seller's Exchange Shares held by such Seller without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to Pubco).

6.3 Notwithstanding anything to the contrary in this Deed, if the Commission prevents Pubco from including in the Registration Statement any or all of the Exchange Shares due to limitations on the use of Rule 415 of the Securities Act for the resale of Exchange Shares by a Seller (as applicable), the Registration Statement shall register for resale such number of Exchange Shares which is equal to the maximum number of Exchange Shares as is permitted by the Commission. In such event, the number of Exchange Shares to be registered for each selling shareholder named in the Registration Statement shall be reduced pro rata among all such selling shareholders and as promptly as practicable after being permitted to register additional Exchange Shares under Rule 415 under the Securities Act, Pubco shall use commercially reasonable efforts to amend the Registration Statement or file a new Registration Statement to register such Exchange Shares not included in the initial Registration Statement.

6.4 Notwithstanding anything to the contrary in this Deed, Pubco shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require a Seller (as applicable) not to sell under the Registration Statement or to suspend the effectiveness thereof, if it determines that in order for the Registration Statement not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading, (i) an amendment thereto would be needed to include information that would at that time not otherwise be required in a current, quarterly, or annual report under the Exchange Act and is materially prejudicial or onerous for Pubco to include or (ii) the negotiation or consummation of a transaction by Pubco or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event Pubco's board of directors reasonably believes, upon the advice of legal counsel (which may be in-house counsel), would require additional disclosure by Pubco in the Registration Statement of material information that Pubco has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of Pubco's board of directors, upon the advice of legal counsel (which may be in-house counsel), to cause the Registration Statement to fail to comply with applicable disclosure requirements or (iii) in the good faith judgment of the majority of Pubco's board of directors, such filing or effectiveness or use of such Registration Statement, would be seriously detrimental to Pubco and the majority of the board of directors of Pubco concludes as a result that it is essential to defer such filing because it would (x) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (y) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act (each such circumstance in subclauses (i) – (iii), a "**Suspension Event**"); provided, however, that Pubco may not delay or suspend the Registration Statement on more than three (3) occasions or for more than ninety (90) consecutive calendar days, or more than one hundred and twenty (120) total calendar days, in each case during any twelve (12)-month period. Upon receipt of any written notice from Pubco of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Seller agrees that (i) it will immediately discontinue offers and sales of the Exchange Shares under the Registration Statement until such Seller receives copies of a supplemental or amended prospectus (which Pubco agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to

above and receives notice that any post-effective amendment has become effective or unless otherwise notified by Pubco that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by Pubco except for disclosure to such Seller's employees, agents and professional advisors who need to know such information and are obligated to keep it confidential, unless otherwise required by law or subpoena. If so directed by Pubco, such Seller will deliver to Pubco or, in such Seller's sole discretion destroy, all copies of the prospectus covering the Exchange Shares in such Seller's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering the Exchange Shares shall not apply (i) to the extent such Seller is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

6.5 Indemnification.

(a) Pubco agrees to indemnify and hold harmless, to the extent permitted by law, each Seller, its directors, officers, employees, advisers and agents, and each person who controls such Seller (within the meaning of the Securities Act or the Exchange Act) and each affiliate of each Seller (within the meaning of Rule 405 under the Securities Act) from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement 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 contained in any information furnished in writing to Pubco by or on behalf of such Seller expressly for use therein.

(b) Each Seller agrees, severally and not jointly with any other selling shareholder under the Registration Statement, to indemnify and hold harmless Pubco, its directors and officers and agents and each person who controls Pubco (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Seller expressly for use therein. In no event shall the liability of such Seller be greater in amount than the dollar amount of the net proceeds received by such Seller upon the sale of the Exchange Shares giving rise to such indemnification obligation.

(c) Any person entitled to indemnification herein shall (a) 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 prejudiced the indemnifying party) and (b) 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. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a

conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) The indemnification provided for under this Clause 6.5 shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, affiliate or controlling person of such indemnified party and shall survive the transfer of the Exchange Shares purchased pursuant to this Deed.

(e) If the indemnification provided under this Clause 6.5 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. 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 this Clause 6.5, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. 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 Clause 6.5(e) from any person who was not guilty of such fraudulent misrepresentation. In no event shall the liability of a Seller (together with any indemnification obligation under this Clause 6.5) be greater in amount than the dollar amount of the net proceeds received by such Seller upon the sale of the Exchange Shares giving rise to such contribution obligation.

7. CONFIDENTIALITY AND ANNOUNCEMENTS

7.1 Subject to Clause 7.4, Pubco and the Seller:

(a) shall treat as strictly confidential the provisions of this Deed and the other Transaction Documents and the process of their negotiation (the "**Confidential Information**"); and

(b) shall not, except with the prior written consent of the other parties, make use of (save for the purposes of performing its obligations under this Deed and the BCA) or disclose to any person (other than its Representatives in accordance with Clause 7.2) any Confidential Information.

7.2 Each of Pubco and the Seller undertakes that it shall only disclose Confidential Information to its Representatives where it is reasonably required for the purposes of performing its obligations under this Deed or the other Transaction Documents and only where such recipients are

informed of the confidential nature of the Confidential Information and the provisions of this Clause 6 and instructed to comply with this Clause 7 as if they were a party to it.

7.3 Subject to Clause 7.4, neither Pubco nor the Seller shall make any announcement (including any communication to the public, to any customers or suppliers of the Company) concerning the subject matter of this Deed without the prior written consent of the other parties.

7.4 Clauses 7.1 and 7.3 shall not apply if and to the extent that such party using or disclosing Confidential Information or making such announcement can demonstrate that:

(a) such disclosure or announcement is required by applicable law or by any stock exchange or any supervisory, regulatory, governmental or anti-trust body (including, for the avoidance of doubt, any tax authority) having applicable jurisdiction; or

(b) the Confidential Information concerned has come into the public domain other than through its fault (or that of its Representatives) or the fault of any person to whom such Confidential Information has been disclosed in accordance with this Clause 7.4.

7.5 The provisions of this Clause 6 shall survive termination of this Deed, and shall continue for a period of three (3) years from the date of this Deed is terminated in accordance with its terms.

8. FURTHER ASSURANCE

Each party shall, at its own cost, promptly execute and deliver all such documents and do all such things and provide all such information and assistance, as the other parties may from time to time reasonably require for the purpose of giving full effect to the provisions of this Deed and to secure for the parties the full benefit of the rights, powers and remedies conferred upon it under this Deed.

9. POWER OF ATTORNEY

9.1 From Completion and for so long after Completion as the Seller remains the registered holder of any Z Ordinary Shares, it shall appoint Pubco to be its lawful attorney (the "**Attorney**") to exercise all rights in relation to all such Z Ordinary Shares as Pubco in its absolute discretion sees fit.

9.2 The power of attorney given in Clause 9.1 shall be irrevocable, save with the consent of Pubco, and is given by way of security to secure the proprietary interest of Pubco as purchaser of the Sale Shares, but shall expire on the date on which Pubco is entered in the register of members of the Company as holder of the Sale Shares.

9.3 For so long as the power of attorney given in Clause 9.1 remains in force, the Seller undertakes:

(a) not to exercise any rights which attach to the Sale Shares or are exercisable in its capacity as registered holder of the Sale Shares without Pubco's prior written consent;

(b) to hold on trust for Pubco all dividends and other distributions of profits or assets received by the Seller in respect of the Sale Shares and to promptly notify Pubco as attorney of anything received by the Seller in its capacity as registered holder of the Sale Shares;

(c) to act promptly in accordance with Pubco's instructions in relation to any rights exercisable or anything received by it in its capacity as registered holder of the Sale Shares; and

(d) to ratify whatever Pubco may do as attorney in its name or on its behalf in exercising the powers contained in this Clause 9.

9.4 Nothing in Clause 9.3 shall require the Seller to take any action (or require it to omit to take any action) where such action or omission would breach any applicable laws.

9.5 Notwithstanding the foregoing, the power and authority granted pursuant to Clause 9.1 shall in no way authorize the Attorney to subject the Seller to any non-compete, non-investment or non-solicitation or similar clause or any unlimited liability (excluding fraud by the Seller).

10. ENTIRE AGREEMENT AND REMEDIES

10.1 This Deed and the other Transaction Documents together set out the entire agreement between the parties relating to the sale and purchase of the Sale Shares and, save to the extent expressly set out in this Deed or any other Transaction Document, supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties, promises, assurances and arrangements of any nature whatsoever, whether or not in writing, relating thereto. This Clause shall not exclude any liability for or remedy in respect of fraudulent misrepresentation.

10.2 The rights, powers, privileges and remedies provided in this Deed are cumulative and not exclusive of any rights, powers, privileges or remedies provided by law.

10.3 This Deed shall automatically terminate and the Transaction shall be abandoned immediately upon the termination of the BCA in accordance with the terms thereof. In the event of such termination, save where expressly stated to the contrary in this Deed, the rights and obligations of the parties hereunder shall be of no further force and effect, provided that nothing in this Clause 10.3 shall act so as to restrict the rights and liabilities of the parties in relation to a breach of this Deed prior to such termination. Furthermore, in the event of such termination, no Released Person (as such term is defined below) shall have any liability or any obligation of any nature to any Releasing Person (as such term is defined below) under this Deed. If the Completion does not take place concurrently with the Share Acquisition Closing, the Seller shall have the right to terminate all of its obligations under this Deed at any time by providing notice of such termination to Pubco.

11. RELEASE

11.1 Effective as of termination of the BCA, to the fullest extent permitted by applicable law, the Seller, on behalf of itself and its Affiliates (the "**Releasing Persons**"), hereby releases and discharges Pubco, the Company, Broadstone, the Sponsor and Merger Sub, and each of their directors, officers, employees and Affiliates (the "**Released Persons**"), from and against any and all actions, both at law and in equity (excluding fraud), for any "loss of opportunity or chance" or similar cause of action in connection with this Deed and the BCA.

12. WAIVER AND VARIATION

12.1 A failure or delay by a party to exercise any right or remedy provided under this Deed or by law, whether by conduct or otherwise, shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Deed or by law, whether by conduct or otherwise, shall preclude or restrict the further exercise of that or any other right or remedy.

12.2 A waiver of any right or remedy under this Deed shall only be effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

12.3 No variation or amendment of this Deed shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to this Deed. Unless expressly agreed, no variation or amendment shall constitute a general waiver of any provision of this Deed, nor shall it affect any rights or obligations under or pursuant to this Deed which have already accrued up to the

date of variation or amendment and the rights and obligations under or pursuant to this Deed shall remain in full force and effect except and only to the extent that they are varied or amended.

13. INVALIDITY

Where any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then such provision shall be deemed to be severed from this Deed and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the parties under this Deed and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Deed.

14. ASSIGNMENT

No person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Deed nor grant, declare, create or dispose of any right or interest in it, except to its Affiliates (an "**Affiliate Transfer**"). Prior to an Affiliate Transfer, the transferor shall give written notice to the other parties to this Deed.

15. NOTICES

15.1 Any notice or other communication given under this Deed or in connection with the matters contemplated herein shall, except where otherwise specifically provided, be in writing in the English language, addressed as provided in Clause 15.2 and served:

(a) by hand to the relevant address, in which case it shall be deemed to have been given upon delivery to that address provided that any notice delivered outside Working Hours shall be deemed given at the start of the next period of Working Hours;

(b) by courier (or if from or to any place outside the United Kingdom, by reputable, nationally recognised overnight courier service) to the relevant address, in which case it shall be deemed to have been given two Business Days after its delivery to a representative of the courier; or

(c) by e-mail to the relevant email address, in which case it shall, subject to no automated notification of delivery failure being received by the sender, be deemed to have been given when despatched provided that any email despatched outside Working Hours shall be deemed given at the start of the next period of Working Hours,

provided, however, that notice given pursuant to Clauses 15.1(a) and 15.1(b) shall not be effective unless a duplicate copy of such notice is also given by hand or by e-mail.

15.2 Notices under this Deed shall be sent for the attention of the person and to the address or e-mail address, subject to Clause 15.3, as set out below:

For the Seller:

to the address set out on the signature page of the respective Seller;

For Pubco:

Name:	Pubco
For the attention of:	Vertical Aerospace Ltd.
Address:	140-142 Kensington Church StreetLondon, England W8 4BN
E-mail:	########@#####

with a copy (which shall not constitute notice) to:

Name:	Latham & Watkins (London) LLP
For the attention of:	J. David Stewart and Robbie McLaren
Address:	99 Bishopsgate London, EC2M 3XF United Kingdom
E-mail:	########@##### and ########@#####

15.3 Any party to this Deed may notify each other party of any change to its address or other details specified in Clause 15.2 provided that such notification shall only be effective on the date specified in such notice or five Business Days after the notice is given, whichever is later.

16. COSTS

Except as otherwise provided in this Deed, each party shall bear its own costs arising out of or in connection with the preparation, negotiation and implementation of this Deed and all other Transaction Documents.

17. RIGHTS OF THIRD PARTIES

Save where expressly provided in respect of a Released Person, a person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

18. COUNTERPARTS

This Deed may be executed in any number of counterparts. Each counterpart shall constitute an original of this Deed but all the counterparts together shall constitute but one and the same instrument.

19. GOVERNING LAW AND JURISDICTION

19.1 This Deed and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

19.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

19.3 For the purposes of this Clause, "**Dispute**" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Deed, including a dispute regarding the existence, formation, validity, interpretation, performance, breach or termination of this Deed and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Deed.

SCHEDULE 1

THE SELLER

(A) Seller	(B) Sale Shares	(c) Exchange Shares
American Airlines Inc.	5,804	6,125,000

SCHEDULE 2

LOCKUP AGREEMENT

THIS LOCK-UP AGREEMENT (the "**Agreement**") is made and entered into as of [●], 2021 between American Airlines, Inc. (the "***Holder***") and Vertical Aerospace Ltd., a Cayman Islands company limited by shares ("***Pubco***"). The Holder and Pubco are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Business Combination Agreement (as defined below).

WHEREAS, Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 and having its registered office at 140-142 Kensington Church Street, London, England W8 4BN (the "***Company***"), Pubco and Broadstone Acquisition Corp. ("***Broadstone***") among others, entered into a business combination agreement, dated June [●], 2021 (the "***Business Combination Agreement***");

WHEREAS, Holder and Pubco entered into a share purchase agreement dated June [●], 2021, pursuant to which Holder agreed to sell and transfer, and Pubco agreed to purchase, 100% of the A Ordinary Shares held by the Holder (the "***SPA***");

WHEREAS, upon consummation of the transactions contemplated by the Business Combination Agreement and the SPA, the Holder will hold such number of Pubco Ordinary Shares set forth in column B on Schedule 1 (together with any securities paid as dividends or distributions with respect to such securities or into which such securities are exchanged or converted, the "***Shares***"); and

WHEREAS, pursuant to the SPA, and in view of the valuable consideration to be received by the Holder thereunder, Pubco and the Holder desire to enter into this Agreement, pursuant to which the Shares shall become subject to the limitations on disposition and other restrictions as set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, which are incorporated in this Agreement as if fully set forth below, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. For purposes of this Agreement:

(a) The term "***A Ordinary Shares***" means A ordinary shares of £0.00001 each in the capital of the Company;

(b) the term "***Closing Date***" means the date on which the Share Acquisition Closing takes place;

(c) the term "***Immediate Family***" means, with respect to any natural person, any of the following: such person's spouse, the siblings of such person and his or her spouse, and the direct descendants and ascendants (including adopted and step children and parents) of such person and his or her spouses and siblings;

(d) the term "***Lock-Up Period***" means the period beginning on the Closing Date and ending on the date that is four (4) years after the Closing Date;

(e) the term "***Lock-up Shares***" means the Shares (for the avoidance of any doubt, excluding (1) Pubco Ordinary Shares acquired in the public market after the Closing Date (2) Pubco Ordinary Shares acquired in a private placement concurrently with the consummation of the Share Acquisition and (3) Pubco Ordinary Shares acquired pursuant to a transaction exempt from registration under the Securities Act);

(f) the term "***Other Lock-Up Agreement***" means any other lock-up agreement with respect to Pubco Ordinary Shares (or warrants representing Pubco Ordinary Shares) to be issued in connection with the transactions contemplated by the Business Combination Agreement;

(g) the term "***Other Restrictions***" means restrictions in any Other Lock-Up Agreement that are on substantially the same terms as the Transfer Restriction of this Agreement, except that the transfer restriction in such Other Lock-Up Agreement expires with respect to (i) 10% of a holder's shares immediately and (ii) 30% of a holder's shares on each anniversary of such Other Lock-Up Agreement;

(h) the term "***Permitted Transferees***" means any Person to whom the Holder is permitted to transfer Lock-up Shares prior to the expiration of the Lock-up Period pursuant to Section 2(a);

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

2. Lock-Up Provisions.

(a) Notwithstanding the provisions set forth in Section 2(b), the Holder or any of its Permitted Transferees may Transfer any or all of the Lock-Up Shares during the Lock-Up Period: (i) to the Holder's officers or directors; (ii) to any Affiliate(s) of the Holder; (iii) in respect of (i) or (ii), in the case of an individual, by gift to a member of such individual's Immediate Family or to a trust, the beneficiary of which is a member of such individual's Immediate Family, an Affiliate of such individual or to a charitable organization; (iv) in respect of (i), (ii) or (iii), in the case of an individual, by virtue of laws of descent and distribution upon death of such individual or pursuant to operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; (v) in the case of a Holder (or any Permitted Transferee) that is a corporation, partnership, limited liability company, trust or other business entity, to any partners (general or limited), beneficiaries, members, managers, shareholders or holders of similar equity interests in the Holder (or, in each case, its nominee or custodian) or any of their Affiliates; (vi) by virtue of any binding law or order of a governmental entity or by virtue of the Holder's organizational documents upon liquidation or dissolution of the Holder; (vii) for the purposes of granting a pledge(s) of Lock-Up Shares as security or collateral in connection with any borrowing or the incurrence of any indebtedness by the Holder (provided such borrowing or incurrence of indebtedness is secured by a portfolio of assets or equity interests issued by multiple issuers); or (viii) pursuant to a bona fide tender offer, merger, consolidation or other similar transaction, in each case made to all holders of Pubco Ordinary Shares, involving a change of Control (including negotiating and entering into an agreement providing for any such transaction) provided, however, that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Holder's shares shall remain subject to the provisions of Section 2(b), provided further, that in the case of clauses (i) through (viii), these Permitted Transferees must enter into a written agreement agreeing to be bound by the provisions set forth in Section 2(b).

(b) The Holder hereby agrees that it shall not, and shall cause any of its Permitted Transferees not to, Transfer any Lock-Up Shares during the Lock-Up Period (the "***Transfer Restriction***"), except in accordance with the following:

(i) the Transfer Restriction shall expire with respect to twenty-five percent (25%) of the Lock-Up Shares (the "***First Tranche***") on the date that is one (1) year after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche after such date);

(ii) the Transfer Restriction shall expire with respect to an additional twenty-five percent (25%) of the Lock-Up Shares (the "***Second Tranche***") on the date that is two (2) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche and the Second Tranche after such date);

(iii) the Transfer Restriction shall expire with respect to an additional twenty-five percent (25%) of the Lock-Up Shares (the "***Third Tranche***") on the date that is three (3) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to the First Tranche, the Second Tranche and the Third Tranche after such date); and

(iv) the Transfer Restriction shall expire with respect to an additional twenty-five percent (25%) of the Lock-Up Shares on the date that is four (4) years after the Closing Date (for the avoidance of doubt no Transfer Restrictions shall apply to any Lock-Up Shares after such date).

(c) During the Lock-Up Period, each certificate (if any are issued) evidencing any Lock-Up Shares shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN A LOCK-UP AGREEMENT, DATED AS OF [●], 2021, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "**ISSUER**") AND THE ISSUER'S SECURITY HOLDER NAMED THEREIN, AS AMENDED. A COPY OF SUCH LOCK-UP AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

(d) For the avoidance of any doubt, the Holder shall retain all of its rights as a shareholder of Pubco with respect to the Lock-Up Shares during the Lock-Up Period, including the right to vote any Lock-Up Shares.

(e) No Other Lock-Up Agreement contains lock-up restrictions that are materially less restrictive than the lock-up restrictions applicable to Holder under this Agreement, provided, however, that the Other Restrictions are deemed to be lock-up restrictions that are not materially less restrictive for purposes of this Section 2(e).

(f) Pubco hereby agrees that: (i) if, after the date hereof, any Other Lock-Up Agreement is amended, modified or waived in a manner favorable to a Company Shareholder or the Sponsor (as applicable) and a similar amendment, modification or waiver would also be favorable to the Holder in relation to the terms of this Agreement, this Agreement shall be contemporaneously amended in the same manner and Pubco shall provide prompt notice thereof to the Holder; and (ii) if any Company Shareholder or the Sponsor (as applicable) is released (including through the termination of the relevant Other Lock-Up Agreement) from any or all of the lock-up restrictions under its respective Other Lock-Up Agreement, other than in accordance with the terms of such Other Lock-Up Agreement, the Holder will be similarly and contemporaneously released from the applicable lock-up restrictions hereunder and Pubco shall provide prompt notice hereof to the Holder.

3. Miscellaneous.

(a) Adjustment. The share prices referenced in this Agreement will be equitably adjusted on account of any changes in the equity securities of Pubco by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or business combination, or by any other means.

(b) Transfers. If any Transfer is made or attempted contrary to the provisions of this Agreement, such Transfer shall be null and void ab initio, and Pubco shall refuse to recognize any such transferee of the Lock-Up Shares as one of its equity holders for any purpose. In order to enforce this Section 3(b), Pubco may impose stop-transfer instructions with respect to the Lock-Up Shares (and any permitted transferees and assigns thereof), as applicable, until the end of the Lock-Up Period.

(c) Termination of the Business Combination Agreement. Notwithstanding anything to the contrary contained herein, in the event that the Business Combination Agreement is terminated in accordance with its terms prior to the Closing Date, this Agreement and all rights and obligations of the Parties hereunder shall automatically terminate and be of no further force or effect.

(d) Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Except as otherwise provided in this Agreement, this Agreement and all obligations of the Parties are personal to the Parties and may not be transferred or delegated by the Parties at any time.

(e) Third Parties. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any person or entity that is not a Party hereto or thereto or a successor or permitted assign of such a Party.

(f) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement, for and on behalf of itself or any of its properties or assets, in accordance with this Section 3(f) or in such other manner as may be permitted by applicable law, that such process may be served in the manner of giving notices in Section 3(i) and that nothing in this Section 3(f) shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

(g) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3(g).

(h) Interpretation. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement. In this Agreement, unless the context otherwise requires: (i) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (ii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words “without limitation”; (iii) the words “herein,” “hereto,” and “hereby” and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular section or other subdivision of this Agreement; and (iv) the term “or” means “and/or”. The Parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (i) in person, (ii) by e-mail (having obtained electronic delivery confirmation thereof), (iii) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (iv) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, *provided*, *however*, that notice given pursuant to clauses (iii) and (iv) above shall not be effective unless a duplicate copy of such notice is also given in person or by e-mail (having obtained electronic delivery confirmation thereof), in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to Pubco, to:	*With a copy to (which shall not constitute notice):*
Vertical Aerospace Ltd. 140-142 Kensington Church Street London, England W8 4BN United Kingdom ########@#####	Latham & Watkins (London) LLP 99 Bishopsgate London, EC2M 3XF United Kingdom Attn: David Stewart and Robbie McLaren Email: ########@##### and ########@#####
If to the Holder, to:	*With a copy to (which shall not constitute notice):*
American Airlines, Inc. 1 Skyview Drive, MD 8B361 Fort Worth, Texas, 76155	Sidley Austin LLP 2021 McKinney Avenue Suite 2000 Dallas, Texas 75201 Attention: Bart J. Biggers Email: ########@#####

(j) Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of Pubco and the Holder. No failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

(k) Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

(l) Specific Performance. The Holder acknowledges that its obligations under this Agreement are unique, recognizes and affirms that in the event of a breach of this Agreement by the Holder, money damages will be inadequate and Pubco will have no adequate remedy at law, and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Holder in accordance with their specific terms or were otherwise breached. Accordingly, Pubco shall be entitled to an injunction or restraining order to prevent breaches of this Agreement by the Holder and to enforce specifically the terms and provisions hereof, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

(m) Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties is expressly canceled; *provided*, that, for the avoidance of

doubt, the foregoing shall not affect the rights and obligations of the Parties under the Business Combination Agreement or any Ancillary Document. Notwithstanding the foregoing, nothing in this Agreement shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under any other agreement between the Holder and Pubco, or any certificate or instrument executed by the Holder in favor of Pubco, and nothing in any other agreement, certificate or instrument shall limit any of the rights or remedies of Pubco or any of the obligations of the Holder under this Agreement.

(n) Further Assurances. From time to time, at another Party's request and without further consideration (but at the requesting Party's reasonable cost and expense), each Party shall execute and deliver such additional documents and take all such further action as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

(o) Counterparts; Facsimile. This Agreement may also be executed and delivered by facsimile signature or by email in portable document format in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

SCHEDULE 1

(A)	(B)
American Airlines, Inc.	[6,125,000]

[1] **Note to draft**: Number to represent all Pubco Ordinary Shares Holder receives pursuant to the SPA.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HOLDER:

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

PUBCO:

VERTICAL AEROSPACE LTD.

By: _____
Name:
Title:

SCHEDULE 3

	(1) Issued	(2) Outstanding Options
Shares	257,062,500	38,795,000

SCHEDULE 4

CALL OPTION AGREEMENT

AMERICAN AIRLINES, INC.
(as the Vendor)

and

VERTICAL AEROSPACE LTD.
(as the Purchaser)

CALL OPTION AGREEMENT

LATHAM&WATKINS

99 Bishopsgate
London EC2M 3XF
+44.20.7710.1000 (Tel)
www.lw.com

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THIS CALL OPTION AGREEMENT is made on December 16, 2021

BETWEEN

(3) **AMERICAN AIRLINES, INC.** ("**Vendor**"); and

(4) **VERTICAL AEROSPACE LTD.** ("**Purchaser**").

WHEREAS

(A) **WHEREAS**, Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 and having its registered office at 140-142 Kensington Church Street, London, England W8 4BN ("**VAGL**"), Purchaser and Broadstone Acquisition Corp. among others, entered into a business combination agreement, dated June 10, 2021 (the "**Business Combination Agreement**");

(B) **WHEREAS**, Vendor and Purchaser entered into a share purchase agreement dated June 10, 2021, pursuant to which Vendor agreed to sell and transfer, and Purchaser agreed to purchase, 100% of the Z Ordinary Shares of VAGL held by Vendor (the "**SPA**");

(C) **WHEREAS**, upon consummation of the transactions contemplated by the Business Combination Agreement and the SPA, Vendor will hold the Shares set forth in Schedule 2 which shall be subject to the Call Option (as defined below) (the "**Shares**"); and

(D) **WHEREAS**, pursuant to the SPA, and in view of the valuable consideration to be received by Vendor thereunder, Purchaser and Vendor desire to enter into this Option Agreement, pursuant to which Vendor has agreed to grant to Purchaser options to require Vendor to sell the Shares upon the terms and subject to the conditions set out in this Option Agreement.

IT IS AGREED THAT

20. DEFINITIONS AND INTERPRETATION

1.1 In this Option Agreement, unless otherwise defined or the context otherwise requires, capitalised terms shall have the meaning given in the SPA, and:

"**Call Option**" means the option granted to the Purchaser pursuant to Clause 2.1;

"**Call Option Notice**" means the notice substantially in the form set out in Schedule 1;

"**Call Option Period**" means each of the First Option Period and the Second Option Period;

"**First Option Period**" means the period starting on the date of this Option Agreement and ending on the third anniversary of the date of this Option Agreement;

"**Second Option Period**" means the period starting on the date of this Option Agreement and ending on the fourth anniversary of the date of this Option Agreement;

"**Shares**" has the meaning given in Recital (C); and

"**SPA**" has the meaning given in Recital (B).

1.2 In this Option Agreement, unless the context otherwise requires:

(a) references to Clauses and Schedules are references to clauses of and schedules to this Option Agreement, references to paragraphs are references to paragraphs of the

Schedule in which the reference appears and references to this Option Agreement include the Schedules;

(b) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(c) references to a "party" mean a party to this Option Agreement and includes its successors in title, personal representatives and permitted assigns;

(d) references to "dollars", "U.S. Dollars", "USD" or "$" are references to the lawful currency from time to time of the United States;

(e) references to times of the day are to London time unless otherwise stated;

(f) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(g) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things;

(h) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation; and

(i) "to the extent that" shall mean "to the extent that" and not solely "if", and similar expressions shall be construed in the same way.

1.3 The headings and sub-headings in this Option Agreement are inserted for convenience only and shall not affect the construction of this Option Agreement.

1.4 Each of the schedules to this Option Agreement shall form part of this Option Agreement.

1.5 References to a document (including this Option Agreement) shall be construed as a reference to such document as amended or varied in accordance with its terms.

2. GRANT OF THE OPTIONS

2.1 The Vendor hereby grants to the Purchaser an option to require the Vendor to sell and for Purchaser to purchase:

(a) 50% of the Shares for a price of $18.00 per Share in the First Option Period; and

(b) the remaining 50% of the Shares for a price of $18.00 per Share in Second Option Period,

in each case subject to the terms set out in this Option Agreement. Purchaser shall pay Vendor the applicable purchase price for the Shares upon the closing date of the purchase, which closing date shall occur no later than the fifth business day following the receipt by Vendor of the applicable Call Option Notice (or such other time as agreed to by the parties), by wire transfer of U.S. dollars in immediately available funds to an account specified by Vendor in writing to Purchaser prior to the closing date.

2.2 The Call Option granted pursuant to Clause 2.1 shall expire in all cases on the fourth anniversary of the date of this Option Agreement.

3. EXERCISE OF THE CALL OPTION

3.1 Subject to the provisions of applicable law, the Call Option may be exercised only once in the First Option Period and once in the Second Option Period.

3.2 If the Call Option is not exercised upon expiry of the applicable Call Option Period, save as otherwise agreed in writing by the Vendor and the Purchaser, the applicable Call Option shall lapse.

3.3 Once served, a Call Option Notice may not be revoked without the written consent of the Vendor and the Purchaser.

4. ASSIGNMENT; NO THIRD PARTY BENEFICIARIES

4.1 This Option 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.

4.2 This Option Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Option Agreement.

4.3 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon the other party until such party shall have received (i) written notice of such assignment and (ii) the written agreement of the assignee, to be bound by the terms and provisions of this Option Agreement. Any transfer or assignment made other than as provided in this Clause 4.3 shall be null and void.

5. MISCELLANEOUS

5.1 This Option Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Option Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.2 This Option 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.

6. ENTIRE AGREEMENT

This Option Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written.

7. GOVERNING LAW; JURISDICTION.

7.1 This Option Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement,

for and on behalf of itself or any of its properties or assets, in accordance with this Clause 7 or in such other manner as may be permitted by applicable law, Clause 7 shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Option Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Option Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

7.2 **WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR OTHER PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACTIONS OF THE HOLDERS IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

SCHEDULE 1

FORM OF THE CALL OPTION NOTICE

To: AMERICAN AIRLINES, INC.

1 Skyview Drive
Fort Worth, Texas
76155
United States of America

[*date*]

Notice of Exercise of the Call Option

1. We refer to the call option agreement dated December 16, 2021 (the "**Option Agreement**").

2. Words and expressions defined in the Option Agreement shall have the same meaning in this Call Option Notice.

3. We are hereby exercising the Call Option that you granted under Clause 2.1 of the Option Agreement and you are accordingly required to sell [●] Shares to Vertical Aerospace Ltd. in accordance with, and subject to, the terms of the Option Agreement.

Yours faithfully,

_____

for and on behalf of **VERTICAL AEROSPACE LTD.**

.....

Director

SCHEDULE 2

(A)	(B)
American Airlines, Inc.	3,062,500

This Option Agreement has been entered into on the date stated at the beginning of it.

VENDOR

Signed by Derek Kerr

for and on behalf of **AMERICAN AIRLINES, INC.**

.....

Chief Financial Officer

PURCHASER

Signed by Vincent Casey

for and on behalf of **VERTICAL AEROSPACE LTD.**

.....

Director

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

PUBCO:

EXECUTED and delivered	)	
as a DEED by	)	/s/ Vinny Casey Name:
VERTICAL AEROSPACE LTD.	)	
acting by a director,	)	
in the presence of:	)	
/s/ Jemma Casey		Signature of Witness
Jemma Casey		Name of Witness
N/A		Occupation of Witness

THE SELLER:

EXECUTED and delivered	)	
as a DEED by	)	/s/ Derek Kerr Name:
AMERICAN AIRLINES, INC.	)	
acting by a person authorized to act on behalf of the company under the laws of the state of Delaware,	)	

Notice details for American Airlines, Inc.

Name:	Seller
For the attention of:	American Airlines, Inc.
Address:	1 Skyview Drive, Fort Worth, Texas 76155, United States of America
Attention:	General Counsel
E-mail:	########@######

[*Signature page to Share Purchase Deed*]

Exhibit 4.12

AMERICAN AIRLINES, INC.
(as the Vendor)

and

VERTICAL AEROSPACE LTD.
(as the Purchaser)

CALL OPTION AGREEMENT

LATHAM&WATKINS

99 Bishopsgate
London EC2M 3XF
+44.20.7710.1000 (Tel)
www.lw.com

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THIS CALL OPTION AGREEMENT is made on December 16, 2021

BETWEEN

(1) **AMERICAN AIRLINES, INC.** ("**Vendor**"); and

(2) **VERTICAL AEROSPACE LTD.** ("**Purchaser**").

WHEREAS

(A) **WHEREAS**, Vertical Aerospace Group Ltd., a private limited company incorporated in England and Wales with registered number 12590994 and having its registered office at 140-142 Kensington Church Street, London, England W8 4BN ("**VAGL**"), Purchaser and Broadstone Acquisition Corp. among others, entered into a business combination agreement, dated June 10, 2021 (the "**Business Combination Agreement**");

(B) **WHEREAS**, Vendor and Purchaser entered into a share purchase agreement dated June 10, 2021, pursuant to which Vendor agreed to sell and transfer, and Purchaser agreed to purchase, 100% of the Z Ordinary Shares of VAGL held by Vendor (the "**SPA**");

(C) **WHEREAS**, upon consummation of the transactions contemplated by the Business Combination Agreement and the SPA, Vendor will hold the Shares set forth in Schedule 2 which shall be subject to the Call Option (as defined below) (the "**Shares**"); and

(D) **WHEREAS**, pursuant to the SPA, and in view of the valuable consideration to be received by Vendor thereunder, Purchaser and Vendor desire to enter into this Option Agreement, pursuant to which Vendor has agreed to grant to Purchaser options to require Vendor to sell the Shares upon the terms and subject to the conditions set out in this Option Agreement.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Option Agreement, unless otherwise defined or the context otherwise requires, capitalised terms shall have the meaning given in the SPA, and:

"**Call Option**" means the option granted to the Purchaser pursuant to Clause 2.1;

"**Call Option Notice**" means the notice substantially in the form set out in Schedule 1;

"**Call Option Period**" means each of the First Option Period and the Second Option Period;

"**First Option Period**" means the period starting on the date of this Option Agreement and ending on the third anniversary of the date of this Option Agreement;

"**Second Option Period**" means the period starting on the date of this Option Agreement and ending on the fourth anniversary of the date of this Option Agreement;

"**Shares**" has the meaning given in Recital (C); and

"**SPA**" has the meaning given in Recital (B).

1.2 In this Option Agreement, unless the context otherwise requires:

(a) references to Clauses and Schedules are references to clauses of and schedules to this Option Agreement, references to paragraphs are references to paragraphs of the

Schedule in which the reference appears and references to this Option Agreement include the Schedules;

(b) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(c) references to a "party" mean a party to this Option Agreement and includes its successors in title, personal representatives and permitted assigns;

(d) references to "dollars", "U.S. Dollars", "USD" or "$" are references to the lawful currency from time to time of the United States;

(e) references to times of the day are to London time unless otherwise stated;

(f) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(g) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things;

(h) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation; and

(i) "to the extent that" shall mean "to the extent that" and not solely "if", and similar expressions shall be construed in the same way.

1.3 The headings and sub-headings in this Option Agreement are inserted for convenience only and shall not affect the construction of this Option Agreement.

1.4 Each of the schedules to this Option Agreement shall form part of this Option Agreement.

1.5 References to a document (including this Option Agreement) shall be construed as a reference to such document as amended or varied in accordance with its terms.

2. GRANT OF THE OPTIONS

2.1 The Vendor hereby grants to the Purchaser an option to require the Vendor to sell and for Purchaser to purchase:

(a) 50% of the Shares for a price of $18.00 per Share in the First Option Period; and

(b) the remaining 50% of the Shares for a price of $18.00 per Share in Second Option Period,

in each case subject to the terms set out in this Option Agreement. Purchaser shall pay Vendor the applicable purchase price for the Shares upon the closing date of the purchase, which closing date shall occur no later than the fifth business day following the receipt by Vendor of the applicable Call Option Notice (or such other time as agreed to by the parties), by wire transfer of U.S. dollars in immediately available funds to an account specified by Vendor in writing to Purchaser prior to the closing date.

2.2 The Call Option granted pursuant to Clause 2.1 shall expire in all cases on the fourth anniversary of the date of this Option Agreement.

3. EXERCISE OF THE CALL OPTION

3.1 Subject to the provisions of applicable law, the Call Option may be exercised only once in the First Option Period and once in the Second Option Period.

3.2 If the Call Option is not exercised upon expiry of the applicable Call Option Period, save as otherwise agreed in writing by the Vendor and the Purchaser, the applicable Call Option shall lapse.

3.3 Once served, a Call Option Notice may not be revoked without the written consent of the Vendor and the Purchaser.

4. ASSIGNMENT; NO THIRD PARTY BENEFICIARIES

4.1 This Option 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.

4.2 This Option Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Option Agreement.

4.3 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon the other party until such party shall have received (i) written notice of such assignment and (ii) the written agreement of the assignee, to be bound by the terms and provisions of this Option Agreement. Any transfer or assignment made other than as provided in this Clause 4.3 shall be null and void.

5. MISCELLANEOUS

5.1 This Option Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Option Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.2 This Option 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.

6. ENTIRE AGREEMENT

This Option Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written.

7. GOVERNING LAW; JURISDICTION.

7.1 This Option Agreement shall be governed by and construed in accordance with 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 giving effect to any choice of law or conflict of law, provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York. Each party hereto (a) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the transactions contemplated by this Agreement,

for and on behalf of itself or any of its properties or assets, in accordance with this Clause 7 or in such other manner as may be permitted by applicable law, Clause 7 shall affect the right of any party to serve legal process in any other manner permitted by applicable law, (b) irrevocably and unconditionally consents and submits itself and its properties and assets in any action or proceeding to the exclusive jurisdiction of the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, in the event any dispute or controversy arises out of this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any order in respect thereof, (c) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, (d) agrees that any actions or proceedings arising in connection with this Option Agreement or the transactions contemplated hereby shall be brought, tried and determined only in the Federal courts of the United States or the courts of the State of New York, in each case located within the City of New York, (e) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (f) agrees that it will not bring any action or proceeding relating to this Option Agreement or the transactions contemplated hereby in any court other than the aforesaid courts. Each party hereto agrees that a final order in any action or proceeding in such courts as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the order or in any other manner provided by applicable law.

7.2 **WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR OTHER PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACTIONS OF THE HOLDERS IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

SCHEDULE 1

FORM OF THE CALL OPTION NOTICE

To: AMERICAN AIRLINES, INC.

1 Skyview Drive
Fort Worth, Texas
76155
United States of America

[*date*]

Notice of Exercise of the Call Option

1. We refer to the call option agreement dated December 16, 2021 (the "**Option Agreement**").

2. Words and expressions defined in the Option Agreement shall have the same meaning in this Call Option Notice.

3. We are hereby exercising the Call Option that you granted under Clause 2.1 of the Option Agreement and you are accordingly required to sell [●] Shares to Vertical Aerospace Ltd. in accordance with, and subject to, the terms of the Option Agreement.

Yours faithfully,

_____

for and on behalf of **VERTICAL AEROSPACE LTD.**

.....

Director

SCHEDULE 2

(A)	(B)
American Airlines, Inc.	3,062,500

This Option Agreement has been entered into on the date stated at the beginning of it.

VENDOR

Signed by Derek Kerr

for and on behalf of **AMERICAN AIRLINES, INC.**

/s/ Derek Kerr
Chief Financial Officer

PURCHASER

Signed by Vincent Casey

for and on behalf of **VERTICAL AEROSPACE LTD.**

/s/ Vincent Casey
Director

Exhibit 4.22

THIS CALL OPTION AGREEMENT is made on January, 25 2022

BETWEEN

(1) **STEPHEN FITZPATRICK** of 140-142 Kensington Church Street, London W8 4BN ("**Grantor**");

(2) **VERTICAL AEROSPACE LTD**. 140-142 Kensington Church Street, London W8 4BN , ("**Company**"); and

(3) **DÓMHNAL SLATTERY** of Avolon, Number One Ballsbridge, Building 1, Shelbourne Road, Ballsbridge, Dublin 4 ("**Optionholder**")

BACKGROUND

A. WHEREAS, the Grantor is a shareholder in the Company;

B. WHEREAS, the Optionholder will, subject to the approval of its board, be appointed as a non-executive director and chairman of the board of the Company with effect from 27 January 2022;

C. WHEREAS, the Grantor will hold the Shares (as defined below) subject to the Call Option in favour of the Optionholder; and

D. WHEREAS, in view of the valuable consideration to be received by Grantor and the Company, Grantor, the Company and the Optionholder desire to enter into this Option Agreement, pursuant to which Grantor has agreed to grant to Optionholder options to require Grantor to sell the Shares upon the terms and subject to the conditions set out in this Option Agreement.

IT IS AGREED THAT

1. 1. DEFINITIONS AND INTERPRETATION

1.1 In this Option Agreement, unless otherwise defined or the context otherwise requires, capitalised terms shall have the meaning given in the SPA, and:

(a) "**Call Option**" means the option granted to the Optionholder pursuant to Clause 2.1;

(b) "**Call Option Notice**" means the notice substantially in the form set out in Schedule 1;

(c) "**Option Agreement**" means this agreement;

(d) "**Shares**" means 1,175,000 ordinary shares of par value $0.0001 each in the capital of the Company;

(e) "**Tax Liability**" means any liability for income tax, employee's National Insurance contributions (or other similar obligations to pay employment or payroll taxes and/or other taxes and social security wherever in the world arising), and employer's National Insurance Contributions, which is attributable to (1) the grant or exercise of, or any benefit derived by Optionholder from, the Call Option or the Shares which are the subject of the Call Option, (2) the transfer or issue of Shares to Optionholder on satisfaction of the Call Option (3) any restrictions applicable to the Shares held by the Optionholder ceasing to apply to those shares, or (4) the disposal of any Shares.

(f) "**Termination Date**" has the meaning in Clause 2.3; and

1.2 In this Option Agreement, unless the context otherwise requires:

(a) references to Clauses and Schedules are references to clauses of and schedules to this Option Agreement, references to paragraphs are references to paragraphs of the Schedule in which the reference appears and references to this Option Agreement include the Schedules;

(b) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(c) references to a "party" mean a party to this Option Agreement and includes its successors in title, personal representatives and permitted assigns;

(d) references to "dollars", "U.S. Dollars", "USD" or "$" are references to the lawful currency from time to time of the United States;

(e) references to times of the day are to London time unless otherwise stated;

(f) references to writing shall include any modes of reproducing words in a legible and non- transitory form;

(g) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things;

(h) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation; and

(i) "to the extent that" shall mean "to the extent that" and not solely "if", and similar expressions shall be construed in the same way.

1.3 The headings and sub-headings in this Option Agreement are inserted for convenience only and

1.4 Each of the schedules to this Option Agreement shall form part of this Option Agreement.

1.5 References to a document (including this Option Agreement) shall be construed as a reference to such document as amended or varied in accordance with its terms.

2. GRANT OF THE OPTIONS

2.1 Subject to the approval of the Company's board, the Grantor hereby grants to the Optionholder an option to require the Grantor to sell and for Optionholder to purchase the Shares for an exercise price of US$0.0001 per Share.

2.2 The Call Option will vest as follows:

(a) The Call Option will vest over 10% of the Shares immediately on the date of this Agreement;

(b) The Call Option will vest over a further 30% of the Shares on the first anniversary of the date of this Agreement;

(c) The Call Option will vest over a further 30% of the Shares on the second anniversary of the date of this Agreement; and

(d) The Call Option will vest over the remaining 30% of the Shares on the third anniversary of the date of this Agreement,

in each case subject to the Optionholder's continued appointment as Chairman of the Company throughout the vesting period and subject to the terms set out in this Option Agreement.

2.3 The Call Option will cease to vest immediately on termination of the Optionholder's appointment as Chairman of the Company (the "**Termination Date**") and the unvested portion of the Call Option will lapse with immediate effect upon the Termination Date.

2.4 The vested portion of the Call Option shall remain exercisable pursuant to Clause 3 following the Termination Date until expiry in accordance with Clause 2.5 or lapse in accordance with Clause 5.

2.5 The Call Option granted pursuant to Clause 2.1 shall expire in all cases on the seventh anniversary of the date of this Option Agreement. If the Call Option is not exercised prior to the seventh anniversary of the date of this Option Agreement, the Call Option shall lapse.

3. EXERCISE OF THE CALL OPTION

3.1 Subject to the Optionholder making arrangements to satisfy the applicable Tax Liability in accordance with Clause 4.2, and subject to Clause 2.5, the Optionholder may exercise the Call Option in respect of some or all of the vested portion of the Option at any time, and from time to time, by serving a Call Option Notice on the Grantor, with a copy to the Company.

3.2 Once served, a Call Option Notice may not be revoked without the written consent of the Grantor.

4. TAX INDEMNITY AND RECOVERY

4.1 Optionholder shall be solely responsible for payment of all taxes that arise with respect to the grant, exercise and settlement of the Call Option, including the transfer or settlement of any Shares. Optionholder agrees to indemnify and keep indemnified theGrantor, the Company and its subsidiaries (including Optionholder's service recipient) from and against any liability for or obligation to pay any Tax Liability. Optionholder undertakes that, upon request by the Company, he will join with his service recipient in electing, pursuant to Section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") that, for relevant tax purposes, the market value of the Shares acquired on exercise of the Option on any occasion will be calculated as if the Shares were not restricted and Sections 425 to 430 (inclusive) of ITEPA are not to apply to such Shares. [Notwithstanding this Clause 4.1, the Grantor shall be responsible for his own taxes arising in relation to the grant exercise and settlement of the Call Option.

4.2 Without limiting the scope or duration of the indemnity provided pursuant to Clause 4.1, Optionholder and Grantor agree that, as a condition of exercising the Option and the transfer of any Shares from the Grantor to the Optionholder, the Optionholder shall make arrangements to pay the applicable Tax Liability to the Grantor, the Company or its subsidiaries (as applicable) no later than 30 days following service of the Call Option Notice. Unless the Optionholder and the Company agree otherwise, the Optionholder shall pay the applicable Tax Liability to the Company by cash, wire transfer of immediately available funds or by check within 30 days following service of the Call Option Notice. The Company may, in its discretion (not to be unreasonably withheld), following request by the Optionholder agree to any of the following alternative method or methods by which the Tax Liability will be paid by the Optionholder to the Company, including, without limitation: (a) authorising the Company to deduct the necessary amount from any fees or other amounts which are payable to Optionholder (b) delivery of a written or electronic notice that the Optionholder has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the relevant Tax Liability; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (c) other form of legal consideration acceptable to the Company in its sole discretion, or (d) any combination of the above permitted forms of payment.

4.3 Notwithstanding any other provision of this Option Agreement to the contrary, whilst engaged as a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act, the Optionholder shall not be permitted to make payment with respect to the Option, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

5. LAPSE

5.1 The Call Option (both vested and unvested portions) shall immediately lapse and cease to be exercisable on the earliest to occur of the following:

(a) if the Optionholder is adjudged bankrupt or an interim order is made because he intends to propose a voluntary arrangement to his creditors under the Insolvency Act 1986 (or similar law of another jurisdiction);

(b) if the Optionholder makes or proposes a voluntary arrangement under the Insolvency Act 1986 (or similar law of another jurisdiction), or any other scheme or arrangement in relation to his debts, with his creditors or any section of them; or

(c) if the Optionholder is otherwise deprived (except on death) of the legal or beneficial ownership of the Option by operation of law or by doing or omitting to do anything which causes him to be so deprived.

6. ASSIGNMENT; NO THIRD PARTY BENEFICIARIES

6.1 Neither the Call Option nor any rights under or interest in the Call Option can be sold, pledged, assigned, or transferred in any manner by the Optionholder. The Grantor and the Company may not assign any rights under this Agreement other than in accordance with Clause 6.3.

6.2 This Option Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Option Agreement.

6.3 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon the other party until such party shall have received (i) written notice of such assignment and (ii) the written agreement of the assignee, to be bound by the terms and provisions of this Option Agreement. Any transfer or assignment made other than as provided in this Clause 6.3 shall be null and void.

7. MISCELLANEOUS

7.1 Optionholder acknowledges and agrees he will be required to enter into a statement of high net worth in the form attached at Schedule 2 within 30 days of the date of this Agreement.

7.2 This Option Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Option Agreement or of any other term or provision hereof.

7.3 This Option 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.

7.4 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you, the Grantor and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you, the Grantor and the Company.

8. ENTIRE AGREEMENT

This Option Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written.

9. GOVERNING LAW; JURISDICTION.

9.1 This Option Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non- contractual disputes or claims).

SCHEDULE 1
FORM OF THE CALL OPTION NOTICE

To: STEPHEN FITZPATRICK

Copy to: VERTICAL AEROSPACE LTD.

[date]

Notice of Exercise of the Call Option

1. I refer to the call option agreement dated [*date*] 2022 (the "**Option Agreement**").

2. Words and expressions defined in the Option Agreement shall have the same meaning in this Call Option Notice.

3. I am hereby exercising the Call Option that you granted under Clause 2.1 of the Option Agreement and you are accordingly required to sell [ ] Shares to me in accordance with, and subject to, the terms of the Option Agreement.

4. I confirm that I will pay the Company such amount as is necessary to cover the Tax Liability within 30 day of delivering this Call Option Notice to the Company in accordance with Clause 4 of the Option Agreement.

Yours faithfully,

_____

DÓMHNAL
SLATTERY

SCHEDULE 2

FORM OF STATEMENT OF HIGH NET WORTH INDIVIDUAL

I declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means:

(a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority;

(b) the content of such financial promotions may not conform to rules issued by the Financial Conduct Authority;

(c) by designing this statement I may lose significant rights;

(d) I may have no right to complain to either of the following:

(i) the Financial Conduct Authority; or

(ii) the Financial Ombudsman Scheme;

(e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because at least one of the following applies:

(a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more;

(b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more. Net assets for these purposes do not include:

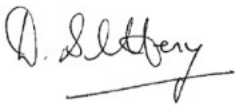
(i) the property which is my primary residence or any loan secured on that residence;

(ii) any rights of mine under qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or

(iii) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.



Signature……. **DÓMHNAL SLATTERY** 24 January 2022 **Date** ……..

This Option Agreement has been entered into on the date stated at the beginning of it.

GRANTOR

Signed by STEPHEN FITZPATRICK

.....

COMPANY

Signed by Vincent Casey, a Director

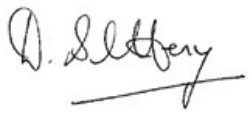
……..

For and on behalf of

VERTICAL AEROSPACE Ltd.

OPTIONHOLDER

Signed by DÓMHNAL SLATTERY



.....

Exhibit 8.1

Subsidiaries of Vertical Aerospace Ltd.
(as of December 31, 2021)

Legal Name of Subsidiary	**Place of Incorporation**
Vertical Aerospace Group Ltd.	United Kingdom
Broadstone Acquisition Corp.	Cayman Islands
Vertical Aerospace France SAS	France
Vertical Aerospace North America LLC	Delaware (USA)

Exhibit 12.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen Fitzpatrick, Chief Executive Officer, certify that:

1. I have reviewed this Annual Report on Form 20-F of Vertical Aerospace Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [Paragraph intentionally omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Stephen Fitzpatrick
Stephen Fitzpatrick
Chief Executive Officer
(Principal Executive Officer)

Date: April 28, 2022

Exhibit 12.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vincent Casey, Chief Financial Officer, certify that:

1. I have reviewed this Annual Report on Form 20-F of Vertical Aerospace Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [Paragraph intentionally omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Vincent Casey
Vincent Casey
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: April 28, 2022

Exhibit 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Vertical Aerospace Ltd. (the "Company") for the year ended December 31, 2021 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d- 14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Stephen Fitzpatrick, Chief Executive Officer of the Company, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Stephen Fitzpatrick
Stephen Fitzpatrick
Chief Executive Officer
(Principal Executive Officer)

Date: April 28, 2022

Exhibit 13.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Vertical Aerospace Ltd. (the "Company") for the year ended December 31, 2021 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d- 14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Vincent Casey, Chief Financial Officer of the Company, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Vincent Casey
Vincent Casey
Chief Financial Officer
(Principal Financial Officer)

Date: April 28, 2022

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-263815) of Vertical Aerospace Ltd. of our report dated April 28, 2022 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP
Bristol, United Kingdom
April 28, 2022

Document and Entity Information	12 Months Ended Dec. 31, 2021 shares
Entity Addresses [Line Items]	
Document Type	20-F
Document Registration Statement	false
Document Annual Report	true
Document Period End Date	Dec. 31, 2021
Document Transition Report	false
Document Shell Company Report	false
Entity File Number	001-41169
Entity Registrant Name	Vertical Aerospace Ltd.
Entity Incorporation, State or Country Code	E9
Entity Address, Address Line One	Unit 1 Camwal Court, Chapel Street
Entity Address, City or Town	Bristol
Entity Address, Postal Zip Code	BS2 0UW
Entity Address, Country	GB
Entity Common Stock, Shares Outstanding	209,135,382
Entity Well-known Seasoned Issuer	No
Entity Voluntary Filers	No
Entity Current Reporting Status	Yes
Entity Interactive Data Current	Yes
Entity Filer Category	Non-accelerated Filer
Entity Emerging Growth Company	true
Entity Ex Transition Period	false
Document Accounting Standard	International Financial Reporting Standards
Entity Shell Company	false
ICFR Auditor Attestation Flag	false
Current Fiscal Year End Date	--12-31
Document Fiscal Year Focus	2021
Document Fiscal Period Focus	FY
Entity Central Index Key	0001867102
Amendment Flag	false
Auditor Name	PricewaterhouseCoopers LLP
Auditor Firm ID	876
Auditor Location	Bristol, United Kingdom
Ordinary Share	

Entity Addresses [Line Items]	
Title of 12(b) Security	Ordinary shares, par value $0.0001 per share
Trading Symbol	EVTL
Security Exchange Name	NYSE
Warrants.	
Entity Addresses [Line Items]	
Title of 12(b) Security	Warrants, each whole warrant exercisable for one ordinary share at an exercise price of $11.50 per share
Trading Symbol	EVTLW
Security Exchange Name	NYSE
Business Contact [Member]	
Entity Addresses [Line Items]	
Entity Address, Address Line One	Unit 1 Camwal Court, Chapel Street
Entity Address, City or Town	Bristol
Entity Address, Postal Zip Code	BS2 0UW
Entity Address, Country	GB
Contact Personnel Name	Sanjay Verma
City Area Code	+44
Local Phone Number	117 457 2094
Contact Personnel Email Address	Legal@vertical-aerospace.com

Consolidated Statement of Comprehensive Income - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Consolidated Statement of Comprehensive Income			
Revenue	£ 132	£ 87	£ 70
Cost of sales	(64)	(44)	(66)
Gross profit	68	43	4
Research and development expenses	(24,291)	(9,971)	(5,153)
Administrative expenses	(264,260)	(3,760)	(2,554)
Related party administrative expenses	(108)	(144)	(144)
Other operating income	11,352	2,317	399
Operating loss	(277,239)	(11,515)	(7,448)
Finance income/(costs)	32,498	(98)	(66)
Related party finance costs	(483)	(709)	
Total finance income/(cost)	32,015	(807)	(66)
Loss before tax	(245,224)	(12,322)	(7,514)
Income tax expense		(4)	30
Net loss for the period	(245,224)	(12,326)	(7,484)
Foreign exchange translation differences	(85)		
Total comprehensive loss for the year	£ (245,309)	£ (12,326)	£ (7,484)
Basic loss per share	£ (1.98)	£ (0.12)	£ (0.07)
Diluted loss per share	£ (1.98)	£ (0.12)	£ (0.07)

Consolidated Statement of Financial Position - GBP (£)	Dec. 31, 2021	Dec. 31, 2020
Non-current assets		
Property, plant and equipment	£ 1,834,000	£ 1,422,000
Right of use assets	1,969,000	1,062,000
Intangible assets	4,208,000	2,030,000
Non-current assets	8,011,000	4,514,000
Current assets		
Trade and other receivables	12,658,000	3,532,000
Cash at bank	212,660,000	839,000
Current assets	225,318,000	4,371,000
Total assets	233,329,000	8,885,000
Equity		
Share capital	15,804	1.05
Other reserve	63,314,000	4,117,000
Share premium	248,354,000	
Accumulated deficit	(250,123,000)	(5,055,000)
Total equity	61,561,000	(938,000)
Non-current liabilities		
Lease liabilities	1,580,000	846,000
Provisions	95,000	88,000
Derivative financial liabilities	112,799,000	
Trade and other payables	5,975,000	
Non-current liabilities	120,449,000	934,000
Current liabilities		
Lease liabilities	362,000	175,000
Warrant liabilities	10,730,000	
Trade and other payables	40,227,000	2,401,000
Loans from related parties		6,309,000
Income tax liability		4,000
Current liabilities	51,319,000	8,889,000
Total liabilities	171,768,000	9,823,000
Total equity and liabilities	£ 233,329,000	£ 8,885,000

Consolidated Statement of Cash Flows - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Cash flows from operating activities			
Net loss for the period	£ (245,224)	£ (12,326)	£ (7,484)
Adjustments to cash flows from non-cash items			
Depreciation and amortization	765	542	159
Depreciation on right of use assets	177	140	171
Finance (income)/costs	(32,498)	98	66
Related party finance costs	483	709	
Share based payment transactions	101,608	96	
Warrant expense	111,611		
Net exchange differences	853		
Income tax expense		4	(30)
Adjustments to cash flows from non-cash items	(62,225)	(10,737)	(7,118)
Increase in trade and other receivables	(9,126)	(2,062)	(848)
Increase in trade and other payables	43,801	787	683
Net cash flows used in operating activities	(27,550)	(12,012)	(7,283)
Cash flows from investing activities			
Acquisition of subsidiaries net of cash			(731)
Acquisitions of property plant and equipment	(790)	(155)	(1,527)
Acquisition of intangible assets	(2,565)	(233)	(575)
Deferred consideration payments	1	(300)	
Net cash flows used in investing activities	(3,354)	(688)	(2,833)
Cash flows from financing activities			
Proceeds from convertible loan notes	166,981		
Proceeds from related party borrowings	2,945	5,600	
Repayment of related party borrowings	(737)		
Payments to lease creditors	(240)	(220)	(130)
Proceeds from related party investment	3,779		
Cash acquired as part of Business Combination	4,728		
Proceeds from PIPE	67,257		
Movement in net parent investment		7,130	11,003
Net cash flows generated from financing activities	244,713	12,510	10,873
Net increase/(decrease) in cash at bank	213,809	(190)	757
Cash at bank as at January 1	839	1,029	272
Effect of foreign exchange rate changes	(1,988)		
Cash at bank as at December 31	£ 212,660	£ 839	£ 1,029

Consolidated Statement of Changes in Equity - GBP (£) £ in Thousands	Share capital	Share premium.	Other reserves	Net parent investment	Accumulated deficit	Total
Balance at the beginning at Dec. 31, 2018				£ 643		£ 643
Loss for the period						(7,484)
Total comprehensive loss for the year				(7,484)		(7,484)
Movement in net parent investment				11,003		11,003
Balance at the end at Dec. 31, 2019				4,162		4,162
Loss for the period						(12,326)
Total comprehensive loss for the year				(7,175)	£ (5,151)	(12,326)
Share based payment transactions					96	96
Movement in net parent investment				7,130		7,130
Transfer to Other reserves			£ 4,117	£ (4,117)		
Balance at the end at Dec. 31, 2020		£ 0	4,117		(5,055)	(938)
Loss for the period					(245,224)	(245,224)
Translation differences			(85)			(85)
Total comprehensive loss for the year			(85)		(245,224)	(245,309)
Share based payment transactions					156	156
Share acquisition	£ 16		50,724			50,740
PIPE investment		71,036				71,036
Capital reorganization		74,265				74,265
Issuance of warrants		103,053	8,558			111,611
Balance at the end at Dec. 31, 2021	£ 16	£ 248,354	£ 63,314		£ (250,123)	£ 61,561

General information
General information

1 General information

Vertical Aerospace Ltd (the "Company", or the "Group" if together with its subsidiaries) is incorporated under the Companies Law (as amended) of the Cayman Island.

The address of its principal executive office is: Unit 1 Camwal Court, Bristol, United Kingdom.

The Company's shares are listed on the New York Stock Exchange. The Group's main operations are in the United Kingdom.

These financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

These financial statements were authorised for issue by the Board of Directors on April 28, 2022.

Principal activities

The principal activity of the Company and its wholly owned subsidiary, Vertical Aerospace Group Ltd ("VAGL"), is the development and commercialization of vertical take-off and landing electrically powered aircraft ("eVTOL"). VAGL became a subsidiary of the Company on December 15, 2021 as part of the reorganization (as described below).

Prior to December 15, 2021, the Company was a shell company with no active trade or business, and all relevant assets and liabilities, as well as income and expenses, were borne by VAGL. Therefore, the comparatives of 2020 and 2019 in these consolidated financial statements reflects the financial position and results of operations of VAGL.

Significant accounting policies	12 Months Ended Dec. 31, 2021

Significant accounting policies

Significant accounting policies

2 Significant accounting policies

Presentation of these financial statements

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") International Accounting Standards Board ("IASB").

The capital reorganization

On December 15, 2021 the Company consummated the capital reorganization pursuant to the Business Combination Agreement dated June 10, 2

On the closing date the Company acquired all of the ordinary shares of VAGL, from VAGL shareholders, in consideration for the issuance of ordi Company, by way of a share for share exchange (the "share acquisition"), such that VAGL became a wholly owned subsidiary of the Company.

At the same time Broadstone (Broadstone Acquisition Corp., a Cayman Islands exempted company), a special purpose acquisition company, merg Sub (Vertical Merger Sub Ltd., a Cayman Islands exempted company).

As a result of which (a) the separate corporate existence of Merger Sub ceased and Broadstone continued as the surviving company, (b) each issue of Broadstone was cancelled, in exchange for an equivalent security of the Company, (c) each issued and outstanding founder share was transferre consideration for one Company ordinary share.

Additionally, certain investors concurrently subscribed for and purchased £71,594 thousand of ordinary shares of the Company ("PIPE Financing

2 Significant accounting policies (continued)

The Business Combination is accounted for as a capital reorganization in accordance with IFRS. Under this method of accounting, Broadstone is company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of the VAGL issuing shares at the c Combination for the net assets of Broadstone as of the closing date, accompanied by a recapitalization.

The reorganization, which was not within the scope of IFRS 3 since Broadstone did not meet the definition of a business, was accounted for withi Accordingly, the Company recorded a one-time non-cash expense of £84,712 thousand, recognized as a share listing expense, based on the excess Company shares issued considering a fair value of a share, at $10.68 per share over the fair value of Broadstone's identifiable net assets (see note

The Business Combination generated gross cash proceeds of approximately £218,303 thousand, including £71,594 thousand proceeds from the PI included £141,981 thousand from Convertible Senior Secured Notes, consummated simultaneously with the Business Combination.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and l derivative financial instruments) which are recognized at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires managem judgement in the process of applying the company's accounting policies.

The functional currency of the Company is US Dollars ('$' or 'USD') and the functional currency of VAGL is pounds sterling ('£' or 'GBP'). Th presented in pounds sterling ('£' or 'GBP'), which is the Group's presentation currency. Items included in the financial statements are measured u primary economic environment in which the entity and its subsidiaries operate ("the functional currency"). Cumulative translation adjustments re foreign functional currency financial statements into GBP are reported within other reserves. All amounts are presented in and rounded to the nea otherwise indicated.

Basis of consolidation

Vertical Aerospace Ltd is the parent of the Group. Details of the material subsidiaries are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights hel 2021
Vertical Aerospace Group Limited ("VAGL")	Development and commercialization of eVTOL technologies.	Unit 1, Camwal Court, Bristol, United Kingdom BS2 0UW	

On October 31, 2021 the VAGL disposed of its 100% investment in Vertical Aerospace Engineering Limited for nominal consideration.

The consolidated financial statements incorporate the financial positions and the results of operations of the Group. Control is achieved when the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Th

the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balan
on transactions between Group companies are eliminated.

2 Significant accounting policies (continued)

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The rapid spread of COVID-19 caused vo
financial markets and prompted governments and businesses to take unprecedented measures such as travel restrictions, quarantines, shelter-in-pl
shutdowns. These measures resulted in the majority of the Group's workforce working from home with a small number of teams remaining onsite
actions as may be recommended by government authorities or in the best interests of our employees.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently
presented, unless otherwise stated.

Going concern

The Group is currently in the research and development phase of its journey to commercialization of eVTOL technology. It is generating minimal

Management has prepared a cash flow model detailing the cash inflows and outflows of the Group. There are inherent risks in producing a forecas
working in an emerging industry. For example, components needed for the development of the eVTOL prototypes may prove more costly than an
can be no assurance that the timing and costs necessary to complete the development of eVTOL vehicles will prove accurate.

Several scenarios have been modelled and it is evident that future cash is required for the Group to reach the point where it is due to start generati
plan. However, given the level of cash invested into the company and the current trajectory, management has concluded that no material uncertain
Group's ability to continue as a going concern for at least 12 months from the date of approving these financial statements.

Changes in accounting policy

The Group adopted the following standards and amendments for the first time from the annual reporting period commencing January 1, 2021:

Interest Rate Benchmark Reform – phase 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the

No new accounting standards and interpretations that have been published and are not mandatory for December 31, 2022 reporting periods have b
Group or are expected to have a material impact on the Group in current or future reporting periods.

2 Significant accounting policies (continued)

Revenue recognition

Revenues are minimal to the Group and are generated from the performance of engineering consultancy services to customers.

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the natur
uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS principles are applied using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The revenue for the Group relates solely to engineering consultancy services and revenue is recognised once the Group has satisfied the performa
contracts that the Group enters into comprise payments when certain milestones are met. Revenue is recognised at each milestone event and only

Government grants

Government grants are recognised as Other operating income and are recognised in the period when the expense to which the grant relates is incu
recognised when there is a signed grant offer letter or equivalent from the government body and there is reasonable assurance that the Group will
conditions of the grant.

The Group is the recipient of R&D tax credits in the UK. These tax credits are presented within Other operating income.

Receivables relating to government grants are presented in Trade and other receivables at their fair value.

Research and development expenses

Research expenditure is charged to profit or loss in the period in which it occurred.

Development expenditure is recognised as an intangible asset when it is probable that the project will generate future economic benefit, considerin technological, commercial and regulatory feasibility. Other development expenditure is charged to profit or loss in the period in which it occurred accounting judgements and key sources of estimation uncertainty for a discussion on the judgement of this classification.

The amounts included in research and development expenses include staff costs for staff working directly on research and development projects a attributable to a research project, excluding software costs.

Finance income and costs

Finance income and costs includes the fair value movement on publicly traded warrants and convertible loan notes.

Finance expense includes interest payable and is recognised in profit or loss using the effective interest method.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

2 Significant accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Foreign exchange g from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation the consolidation of subsidiaries whose functional currency differs to the presentational currency of the group are recoded within other compreher

The most important exchange rates that have been used in preparing the financial statements are:

Closing rate as at December 31, 2021: USD $1 = GBP £0.7420
Average rate for the year ending December 31, 2021: USD $1 = GBP £0.7270

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an ite recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting dat company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpre whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the mos expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, o settle the liability simultaneously.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the a purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilitie accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they w the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount o using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and los

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the defer the same taxation authority.

2 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property under right of use	Straight line over term of lease
Computer equipment	3 years straight line
Leasehold improvements	5 - 9 years straight line

Intangible assets

Intangible assets are carried at cost, less accumulated amortization and impairment losses.

Computer software licences acquired for use within the Company are capitalized as an intangible asset on the basis of the costs incurred to acquir specific software.

Amortization

Amortization is provided on intangible assets so as to write off the cost on a straight-line basis, less any estimated residual value, over their expec follows:

Asset class	Amortization method and rate
IT software	3 years straight line

Business combinations and goodwill

The purchase method is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value o instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities initially at their fair values on the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of identifiable intangible assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of net assets of the sub difference is recognised directly in profit or loss.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is tested annually for impairment or when there are indicators of imp

Cash at bank

Cash at bank is held on deposit with financial institutions located within the United Kingdom and is immediately available. Management has asse institutions that hold the Company's cash at bank to be financially sound, with minimal credit risk in existence.

2 Significant accounting policies (continued)

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest m impairment. A provision for the impairment of trade receivables is established using an expected credit loss model as per the Group's accounting of financial assets.

Other receivables represent amounts due from parties who are not customers and are measured at amortized cost.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. A classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortized cost using the effective interest

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortize between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 mor date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Com settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted the effect is material.

Leases

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ('the underlying asset') for exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. convey the right to control the underlying asset, if throughout the period of use, the company has the right to:

Obtain substantially all the economic benefits from the use of the underlying asset, and; Direct the use of the underlying asset (for example, direct purpose the asset is used).

2 Significant accounting policies (continued)

Initial recognition and measurement

The company initially recognizes a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underly term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payme exercise price (where reasonably certain), expected amount of residual value guarantees, termination option penalties (where reasonably certain) a payments that depend on an index or rate.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the comp and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments o other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining liability. Interest charges are included in finance costs in profit or loss, unless the costs are included in the carrying amount of another asset applyi standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in whic that triggers them arises.

Right-of-use assets

The related right-of-use asset is accounted for using the cost model in IFRS 16 and depreciated and charged in accordance with the depreciation r Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying valu where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Imp disclosed in the accounting policy in impairment.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognize lease assets and lease liabilities for leases wit 12 months or less (short term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognize lease assets on leases for which the underlying as

Lease payments on short term and low value leases are accounted for on a straight-line bases over the term of the lease or other systematic basis. S lease payments are included in operating expenses.

2 Significant accounting policies (continued)

Impairment (non-financial assets)

All assets are reviewed for impairment when there is an indicator of impairment. In addition, goodwill is reviewed for impairment at least annuall recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, ass lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the period.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, ne issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Employee Benefits

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive oblig contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior perio

For defined contribution plans, contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractu
are recognized as employee benefit expense when they are due.

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after
which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are mea
expected to be paid when the liabilities are settled. The liabilities are presented as accruals and classified as current liabilities in the balance sheet.

Share based payments – Enterprise Management Incentive and 2021 Incentive Plan

The Company operates an equity-settled, share based compensation plan, under which the entity receives services from employees as considerati
(share options or shares). The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The
expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a
  and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expen
vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances emplo
in advance of the grant date and therefore, the grant date fair value is estimated for the purposes of recognizing the expense during the period betw
commencement period and grant date.

2 Significant accounting policies (continued)

At the end of each reporting period, the Company revises its estimates of the number of shares that are expected to vest based on the non-market v
Company recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

See note 23 for further details.

Other non-current share-based payments were made during the year as detailed within the significant accounting policy for the capital reorganizat
included with the critical accounting judgements and key sources of estimation uncertainty.

Financial instruments

Financial instruments are contracts that give rise to a financial asset for one entity and to a financial liability or equity instrument for another entit
financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades)
settlement date.The company recognizes financial assets and financial liabilities in the statement of financial position when, and only when, the co
the contractual provisions of the financial instrument. Financial assets and financial liabilities are offset, and the net amount is reported in the stat
if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets
simultaneously.

Financial assets

The Group's financial assets include cash at bank and other financial assets. Financial assets are initially measured at fair value plus, in the case o
measured at fair value through profit or loss, transaction costs. Trade receivables are measured at their transaction price.

For all financial assets the Group has the objective to hold financial assets in order to collect the contractual cash flows. The contractual terms of a
assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding amount. All financial assets a
amortized cost.

Impairment of financial assets — expected credit losses ("ECL")

All financial assets measured at amortized cost are required to be impaired at initial recognition in the amount of their expected credit loss ("ECL"
between the contractual and expected cash flows

The simplification available for financial instruments with a low credit risk ("low credit risk exemption") is applied as of the reporting date. Facto
low credit risk assessment are debtor specific rating information and related outlooks. The requirement for classification with a low credit risk is n
counterparties that have at least an investment grade rating; in this case there is no need to monitor credit risks for financial instruments with a lo

Financial liabilities

The Group's financial liabilities include warrants, lease liabilities, convertible loans, trade and other payables, and other financial liabilities. Finan
classified as measured at amortized cost or fair value through profit or loss ("FVTPL"). All financial liabilities are recognized initially at fair valu
financial liability not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities at FVTPL are measured at fair value and gains and losses resulting from changes in fair value are recognized in finance incom
only accounts for convertible loans and warrants as a financial liability at FVTPL. All other financial liabilities are subsequently measured at amo

2 Significant accounting policies (continued)

An embedded derivative in a hybrid contract, with a financial liability or a non-financial host, is separated from the host and accounted for as a se
economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would

derivative; and the hybrid contract is not measured at fair value through profit or loss. The assessment whether to separate an embedded derivative
initial recognition of the hybrid contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liabil
from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modifica
derecognition of the original liability and the recognition of a new liability.

Convertible Loans

Convertible loans are bifurcated into a debt component and a conversion right if the latter is an equity instrument. The conversion right of a conve
instrument but a liability if some conversion features of the loan lead to a conversion into a variable number of shares. In this case it has to be asse
derivatives need to be separated from the host contract. If this is the case, the remaining host contract is measured at amortized cost and the separa
is measured at fair value through profit or loss until the loan is converted into equity or becomes due for repayment. The conversion features and
provided for in the contract are identified as a combined embedded derivative if they share the same risk exposure and are interdependent.

Warrant Liabilities

Public warrants are recognized as liabilities in accordance with IFRS 9 at fair value. The liabilities are subject to re-measurement at each balance
Private warrants linked to sales targets are recognised within equity as these satisfy the “fix to fix” criterion within IAS 32.

Fair value measurements

IFRS 13 clarifies that fair value is a market price, representing the amount received to sell an asset or paid to transfer a liability in an orderly trans
participants at the measurement date. Fair value is a market-based measurement, determined based on assumptions that market participants would
liability. A three-tier hierarchy is established as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Other than quoted prices included in level 1, inputs that are observable for the asset or liability, either directly or indirectly, for suitability
asset or liability.

Level 3 Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allo
which there is little, if any, market activity for the asset or liability at the measurement date.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measure
entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Critical accounting judgements and key sources of estimation uncertainty	12 Months Ended
	Dec. 31, 2021
Critical accounting judgements and key sources of estimation	
Critical accounting judgements and key sources of estimation	

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that af of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period.

The Company's most significant estimates and judgments involve valuation of the stock-based consideration, including the fair value of common restricted stock units, the valuations of warrant liabilities, derivative liabilities including convertible loan notes, and the valuation of call options.

These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Su the selection of appropriate valuation methodologies and models and may involve significant judgment in evaluating ranges of assumptions and fi results may differ from those estimates under different assumptions, financial inputs, or circumstances.

Share acquisition – business combination under common control

There is currently no guidance in IFRS on the accounting treatment for combinations among entities under common control. IAS 8 requires mana specifically applicable standard or interpretation, to develop a policy that is relevant to the decision-making needs of users and that is reliable. The requirements and guidance in other international standards and interpretations dealing with similar issues, and then the content of the IASB's Con Financial Reporting (Conceptual Framework).

Management has made a judgement and applied a method broadly described as predecessor accounting. The principles of predecessor accounting

- Assets and liabilities of the acquired entity are stated at predecessor carrying values. Fair value measurement is not required.
- No new goodwill arises in predecessor accounting.
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the included in equity.

The share acquisition of all of the ordinary shares of VAGL has been considered as a business combination under common control for the purpose consolidated financial statements and resulted in VAGL's operations and all of its net assets being recognized by the Company at their historical n these consolidated financial statements may not reflect the presentation of equity movements of VAGL for the period prior to the share acquisition

Share-based Payments

Judgments were made in determining the valuation of shares prior to the business combination, including in relation to the issuance of Z-Shares to ("American") on June 10, 2021, using the following methods:

For periods prior to the business combination, a probability-weighted model using option pricing methods (Black-Scholes) has been used.

For valuations as at, or after December 16, 2021 the market value of the publicly traded share has been used.

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The issuance of Class Z-Shares to American

The issuance of Class Z-Shares to American was concluded to be a stand-alone transaction. The transaction ensured that American had an equity event that the business combination did not complete and provided an incentive for American to invest in the PIPE. As a transaction in the Compa generally be within scope of IAS 32, however the compensatory nature of the transaction required consideration of other IFRS guidance, specifica

The valuation of the class Z-Shares took considered the following substantive terms and features:

- Transfer restrictions and discount for lack of marketability
- Economic rights and entitlements
- Potential right to exchange into 6,125,000 Company ordinary shares upon closing of merger

Two probability weighted scenarios were considered: a) the Z-Shares convert into to 6,125,000 shares in the Company, subject to lock up and call shares of VAGL if the business combination did not complete.

An expense of £16,739 thousand was recognised on June 10, 2021 based on the total fair value of the class Z-Shares issued to American over the received (£nil). See note 7 for further detail.

The Company was granted a call option over 50% of the Company shares that the Z-Share converted into at an exercise price of $18 per share and exercise of four years. The fair value of this option reflected in arriving at the aforementioned probability weighted valuation of the Z-Shares issu

Convertible Loans and Embedded Derivatives

The initial fair value of the convertible loans (before bifurcation of the embedded derivatives) as well as the subsequent measurement of the embe
calculated using a binomial lattice valuation model and many of the input parameters are not observable. This valuation is judgmental. For detaile
convertible loans and its embedded derivatives, a description of the valuation model and the input parameters, see note 24.

Warrants

Public warrants relate to those warrants that commenced trading on the NYSE on December 16, 2021. Prior to that date, there was no public tradi
ordinary shares or warrants.

Private warrants include those issued upon consummation of the business combination to American, members of the Avolon Group ("Avolon"), V
Management L.P ("Mudrick"). Private options were issued to Marcus Waley-Cohen ("MWC").

The fair value of the Private Warrants is deemed to be equal to the fair value of the Public Warrants except where the terms of Private Warrants m
Warrants. Differences exist, with regards to certain warrant, in the maximum term to exercise as well as the strike price.

An option pricing model (Black-Scholes Model) therefore been used to derive the fair value of Private Warrants. This valuation is judgmental. Fo
the warrants, a description of the valuation model and the input parameters, see note 21.

On December 16, 2021 Private Warrants were issued to Avolon, American and Virgin Atlantic Limited ("Virgin"). Warrants issued to Avolon and
immediately after issuance.

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The warrants meet the fixed-for-fixed criterion and are therefore recognised within other reserves until the point of exercise. The amount classifie
initial recognition reclassified to share capital and share premium upon exercise.

Private Warrants and Options issued to Mudrick and MWC, along Public Warrants, are accounted for as liabilities in accordance with IAS 32, sub
market adjustments. For more information see note 21.

Capitalization of development costs

The business incurs a significant amount of research and development cost. The point in time at which the business begins capitalization of any pr
accounting judgement. The business assesses the technology readiness level of its research and development projects, along with the commerciali
guidance from the accounting standards to assess whether a particular development project should be capitalized or not.

Costs for internally generated research and development are capitalized only if:

- the product or process is technically feasible;
- adequate resources are available to successfully complete the development;
- the benefits from the assets are demonstrated;
- the costs attributable to the projects are reliably measured;
- the Group intends to produce and market or use the developed product or process and can demonstrate its market relevance.

Management has concluded that in 2021 and 2020, none of the projects met the requirements for capitalization. While Management recognises a r
eVTOLs, the market is not yet established or proven. Additionally, the Group is developing new technologies and there are still uncertainties abou
completion of this development.

If costs relating to a research and development project are not capitalized, they are expensed as incurred and presented in Research and Developm
loss (Note 7).

Operating segments

12 Months Ended
Dec. 31, 2021

Operating segments
Operating segments

4 Operating segments

The Group operates as a single operating segment and one reporting segment, being the development and commercialization of eVTOL technology. An operating segment is defined as a component of an entity for which discrete financial information is available and whose results of operations are regularly reviewed by the chief operating decision maker. The Chief Operating Decision Maker, being the Board of Directors, reviews all financial information as a single segment.

Revenue

12 Months Ended
Dec. 31, 2021

Revenue
Revenue

5 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020	2019
	£ 000	£ 000	£ 000
Rendering of engineering consultancy services	132	87	70

All revenue is generated within the UK, based on the location where the engineering consultancy are delivered.

6 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2021	2020	2019
	£ 000	£ 000	£ 000
Government grants	8,829	1,989	—
R&D tax credit	2,388	328	399
Other	135	—	—
	11,352	2,317	399

Government grants

Government grants relate to amounts receivable from the Aerospace Technology Institute (ATI) relating to the research and development of eVTOL technologies. The grant is made to fund research and development expenditure and is recognised in profit or loss in the period to which the expense it is intended to fund relates.

R&D tax credit scheme

The R&D tax credit relates to the UK's research and development expenditure credit scheme.

Expenses by nature
Expenses by nature

7 Expenses by nature

Included within administrative expenses and research and development expenses are the following expenses.

	2021	2020	2019
	£ 000	£ 000	£ 000
Staff costs excluding share-based payment expenses	16,230	8,445	3,642
Share based payment expenses	111,996	96	—
Warrant expense (note 21)	111,611	—	—
Legal and financial advisory transaction costs	7,350	—	—
Software costs	1,506	579	191
Depreciation expense	377	279	89
Depreciation on right of use assets - Property	176	140	171
Amortisation expense	387	263	70
Consultancy costs	13,144	745	518
Expense on short term leases	49	64	8
Research and development components	11,378	2,555	2,096
Related party administrative expenses	108	144	144
Marketing expenses	3,918	—	—
Stamp duty	6,669	—	—
Other administrative expenses	3,760	565	922
Total administrative and research and development expenses	288,659	13,875	7,851

Staff costs excluding share-based payment expenses relates primarily to salary and salary related expenses, including social security and pension contributions.

Research and development components, combined with £12,913 thousand of staff costs related to research and development activity, represent the amount spent on hardware and testing for building eVTOL prototypes totalling £24,291 thousand.

Legal and financial advisory expenses relate primary to the Business Combination transaction.

7 Expenses by nature (continued)

Share based payment expense includes the following:

	2021
	£ 000
Issuance of Z-Shares to American	16,739
Capital reorganization	84,712
Issuance of PIPE shares to suppliers and partners	10,389
Enterprise Management Initiative	156
	111,996

Issuance of Z-Shares to American

On June 10, 2021, VAGL and American executed a subscription agreement by which American subscribed for 5,804 class Z-Shares of VAGL for total consideration of £0.06.

Z-Shares refer to Z ordinary shares of £0.00001 par value that did not carry the right to receive distributions.

If the Business Combination did not complete American would have retained 5,804 Z-Shares, carrying dividends and voting rights. The value of the shares can be used by reference to the pre-money valuation of the Company; adjusted for the actual share price as at June 10, 2021 ($9.93); reflecting the American shareholding percentage (3.96%); and a discount for lack of marketability.

Upon closing of the Business Combination, American exchanged 100% of its class Z-Shares for 6,125,000 common shares of the Company, subject to a four-year lock-up.

50% of the common shares held by American are subject to a call option exercisable by the Company at a $18 per share exercise price; exercisable in two tranches until June 2025.

The value of these shares was derived as at June 10, 2021 using a Black-Scholes Model and based upon actual share price ($9.93). The following inputs were used:

Risk-free rate	0.75 %
Dividend yield	—
Volatility	75 %

The lock up agreement was considered part of the same contract for the subscription of Z-Shares, with a discount for lack of marketability applied, and the call option considered.

	Business combination completes	Business combination does not complete
	£'000	£'000
Value of Z-Shares as at June 10, 2021	30,105	2,558
Less valuation of call option	(8,121)	—
Fair value of Z-Shares as at June 10, 2021	21,984	2,558

A probability weighted calculation as at June 10, 2021 concluded that Business Combination was likely to be completed, giving a probability weighted valuation of £16,739 thousand, recognised as an expense and within share premium of VAGL.

A valuation of £19,616 thousand would have been derived had the Black-Scholes Model used a volatility assumption of 50%, with reasonable changes in all other inputs having an immaterial impact.

7 Expenses by nature (continued)

Capital reorganization

The difference in the fair value of the shares issued by the Company over the value of the net monetary assets of the Broadstone represented a listing service, and the cost of the listing service was recognized as an expense upon consummation of the Business Combination Agreement.

	2021
	£'000
Market value of 9,203,984 ordinary shares ($10.68 per share)	74,265
Cash acquired	4,728
Warrants acquired (15,701,067 warrants at $1.04 per warrant)	(11,997)
Accounts payable acquired	(2,289)
Add net liabilities acquired	(9,558)
Foreign exchange differences	671
Charge for listing services	83,152

An additional £1,572 thousand was recognised in relation to the issuance of private options to MWC, giving a total charge of £84,712 thousand.

Issuance of PIPE shares to suppliers and partners

Upon consummation of the Business Combination the Company recognised an expense £10,389 thousand in relation to the issuance of PIPE shares to certain suppliers and partners for net proceeds below market value.

Finance income/(costs)
Finance income/(costs)

8 Finance income/(costs)

	2021	2020	2019
	£ 000	£ 000	£ 000
Interest on loans from related parties	(483)	(709)	—
Bad debt write-off	(14)	—	(15)
Fair value losses	—	(18)	—
Interest expense on leases	(77)	(74)	(46)
Other	(1)	(6)	(5)
Total finance costs	(575)	(807)	(66)
Fair value gains	32,578	—	—
Other	12	—	—
Total finance income	32,590	—	—
Total finance income/(costs)	32,015	(807)	(66)

Interest on loans from related parties represents the interest charged by Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick.

Fair value movements include a fair value gain on public and private warrants in issue of £6,817 thousand (note 21) in addition to a fair value gain on the Convertible Senior Secured Notes of £26,876 thousand (note 25).

Other finance costs include discount unwind on provisions for dilapidations.

Loss per share

12 Months Ended
Dec. 31, 2021

Earnings per share [abstract]

Loss per share

9 Loss per share

Basic earnings per share, in this case a loss per share, is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding. During the year the number of ordinary or potential ordinary shares outstanding increased because of a share issue. Therefore, the calculation of basic and diluted earnings per share for all periods presented has been adjusted retrospectively.

Because a net loss for all period presented has been reported, diluted loss per share is the same as basic loss per share. Therefore, all potentially dilutive common stock equivalents are anti-dilutive and have been excluded from the calculation of net loss per share.

The calculation of loss per share is based on the following data:

	2021	2020	2019
	£ 000	£ 000	£ 000
Net loss for the period	(245,224)	(12,326)	(7,484)
	£	£	£
Basic and diluted loss per share	(1.98)	(0.12)	(0.07)
	No. of shares	No. of shares	No. of shares
Weighted average issued shares	124,130,921	99,904,427	99,904,427

Taxation
Taxation

10 Taxation

Tax credited /(charged) in profit or loss

	2021	2020	2019
	£ 000	£ 000	£ 000
Current taxation			
UK corporation tax	—	(4)	30

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021	2020	2019
	£ 000	£ 000	£ 000
Loss before tax	(245,224)	(12,322)	(7,514)
Corporation tax benefit at standard rate	46,593	2,341	1,428
Decrease in tax benefit from effect of expenses not deductible in determining taxable profit/(loss)	(92)	(135)	—
Decrease in tax benefit from tax losses for which no deferred tax asset was recognised	(46,501)	(841)	—
Decrease in tax benefit arising from group relief tax reconciliation	—	(1,369)	(1,428)
Deferred tax credit from unrecognised temporary difference from a prior period	—	—	30
Total tax benefit/(expense)	—	(4)	30

The main rate of UK corporation tax for the years to December 31, 2020 and December 31, 2021 was 19%.

At the March Budget 2021, the UK government announced that the Corporation Tax main rate (for all profits except ring fence profits and profits under £50 thousand) for the years starting April 1, 2023 be 25%.

10 Taxation (continued)

No deferred tax assets or liabilities have been recognised as the Group has a surplus of UK tax losses which offset in the same jurisdiction as any deferred tax liabilities. A deferred tax asset for the surplus tax losses has not been recognised as the Group has not yet been profitable and therefore there is uncertainty over the availability of future taxable profits against which to utilise the tax losses.

Unused potential tax losses for which no deferred tax asset has been recognised as at December 31, 2021 were estimated as £250,500 thousand (2020: £4,641 thousand).

Property, plant and equipment

12 Months Ended Dec. 31, 2021

Property, plant and equipment

Property, plant and equipment

11 Property, plant and equipment

	Leasehold improvements	Office equipment	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,350	304	1,654
Additions	18	137	155
December 31, 2020	1,368	441	1,809
Additions	162	628	790
December 31, 2021	1,530	1,069	2,599
Depreciation			
At January 1, 2020	32	76	108
Charge for year	174	105	279
At December 31, 2020	206	181	387
Charge for the year	168	210	378
At December 31, 2021	374	391	765
Net book value			
At December 31, 2021	1,156	678	1,834
At December 31, 2020	1,162	260	1,422

Leasehold improvements represent improvements to leased property in Bristol, UK.

All property, plant and equipment is attributable to the UK.

Right of use assets

12 Months Ended
Dec. 31, 2021

Right of use assets
Right of use assets

12 Right of use assets

	Leasehold Property
	£ 000
Cost or valuation	
At January 1, 2020 and 31 December 2020	1,445
Additions	1,084
At December 31, 2021	2,529
Depreciation	
At January 1, 2020	243
Charge for year	140
At December 31, 2020	383
Charge for the year	177
At December 31, 2021	560
Net book value	
At December 31, 2021	1,969
At December 31, 2020	1,062

The right of use assets are leasehold properties at Camwal Court, Bristol, UK and at Cotswold Airport, Kemble, UK. Further information on the lease liability of this lease can be found in Note 18 Leases.

13 Intangible assets

	Goodwill	IT software	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,473	682	2,155
Additions	—	233	233
At December 31, 2020	1,473	915	2,388
Additions	—	2,565	2,565
At December 31, 2021	1,473	3,480	4,953
Amortisation			
At January 1, 2020	—	95	95
Amortisation charge	—	263	263
At December 31, 2020	—	358	358
Amortisation charge	—	387	387
At December 31, 2021	—	745	745
Net book value			
At December 31, 2021	1,473	2,735	4,208
At December 31, 2020	1,473	557	2,030

The amortisation charge of £387 thousand (2020: 263 thousand) is shown in Administrative expenses.

All intangible assets are attributable to the UK.

IT software is third party software licences which includes perpetual licences and implementation costs.

13 Intangible assets (continued)

The carrying amounts of the software was reviewed at the reporting date and management determined that there were no indicators of impairment.

The goodwill was recognised on the acquisition of Vertical Advanced Engineering Ltd in July 2019 and related to the Formula 1 approach to the use materials and technologies. The individuals with the specific skill set in relation to this since became embedded within VAGL, along with their respective ways of working.

Management views the business as one cash generating unit (‘CGU’) being the commercialization and development of eVTOL technologies. Management have performed a valuation exercise as part of the capital reorganization and has calculated the fair value of the business, less cost to sell, which has demonstrated that there is no indication of impairment.

Business disposal

12 Months Ended
Dec. 31, 2021

Business disposal

Business disposals

14 Business disposal

On October 31, 2021, the Group disposed of 100% of the share capital of Vertical Advanced Engineering Ltd for nominal consideration. The net assets of Vertical Advanced Engineering Ltd were £102 thousand as at this date.

Trade and other receivables

12 Months Ended
Dec. 31, 2021

Trade and other receivables

Trade and other receivables

15 Trade and other receivables

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Government receivables	5,415	1,989
Prepayments	6,571	733
Other receivables	672	810
	12,658	3,532

Included within Government receivables is £2,716 thousand for the R&D tax credit receivable (2020: £328 thousand) and £2,595 thousand for VAT receivable (2020: £6 thousand). Prepayments includes £3,805 thousand in relation to insurances (2020: £nil).

The fair value of trade and other receivables classified as financial instruments are disclosed in note 25 Financial instruments. Expected credit losses were not significant in 2021 or 2020.

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 26 Financial risk management and impairment of financial assets.

Share capital and other reserves

Share capital.

Share capital and other reserves

12 Months Ended
Dec. 31, 2021

16 Share capital and other reserves

Allotted, called up and fully paid shares

	December 31, 2021		December 31, 2020	
	No.	£	No.	£
A ordinary of £0.00001 each	—	—	100,000	1.00
B ordinary of £0.00001 each	—	—	4,832	0.05
Ordinary of $0.0001 each	209,135,382	15,804	—	—
	209,135,382	15,804	104,832	1.05

16 Share capital and other reserves (continued)

As part of the Business Combination 100% of VAGL shares (146,749) were acquired by the Company in exchange for the payment, issue and delivery of 177,762,797 Company shares to VAGL shareholders. This included the Z-Shares issued to American on June 10, 2021. At the time there was no IFRS guidance on the accounting treatment for combinations among entities under common control. This transaction has been recorded at the nominal value of shares issued, with the excess premium paid recorded within other reserves.

Of the 177,762,797 company shares issued in exchange to VAGL shareholders, 35,000,000 company shares held by VAGL shareholders are subject to an earn-out mechanism (the “Earn Out Shares”) that would be released from restriction upon fulfilment of certain share price milestones being satisfied prior to the fifth-year anniversary of the consummation of the Business Combination Agreement.

Failure to achieve such milestones will result in forfeiture of the Earn Out Shares. The Company has determined that the fair value of the Earn Out Shares should be accounted for as a component of the deemed cost of the listing services upon consummation of the Business Combination, as disclosed within Note 7 in the section entitled “Capital reorganization”.

The Company also determined that no separate accounting recognition was necessary in respect of the Earn Out Shares as the fair value of the Earn Out Shares will be inherently reflected within the quoted price of Broadstone’s shares, in respect of the Earn Out Shares’ potential dilutive impact, used in valuing the consideration given to Broadstone’s shareholders to derive the deemed cost of the listing services.

A total of 9,400,000 ordinary shares were also issued to PIPE investors upon consummation of the business transaction with 9,203,984 public and sponsor shares issued and outstanding. A total of 12,768,600 warrants issued to American and Avolon were exercised immediately following consummation of the business transaction. In addition, 90,449,562 shares had been authorised for allotment at December 31, 2021.

Ordinary shares have full voting rights, full dividend rights. A ordinary shares had full voting rights, full dividend rights. B ordinary shares had no voting or dividend rights and have rights to capital distribution on liquidation on par with A ordinary shares. Options have been granted to employees to be able to acquire B shares. Refer to note 23 Share-based payments.

Share premium and other reserves

Movements in reserves are shown below

	Share Premium	Other Reserves
	£000	£000
As at January 1	—	4,117
Issuance of Z-Shares to American (note 7)	—	16,739
Debt to equity conversion of related party loan (note 27)	—	9,000
Debt to equity conversion of Microsoft and Rocket loan	—	25,000
Transfer of intergroup share capital	—	(15)
Share acquisition	—	50,724
Cumulative translation differences	—	(85)
Issuance of warrants to American, Avolon and Virgin (note 21)	103,053	8,558
Capital reorganization (note 7)	74,265	—
PIPE investment	71,036	—
As at December 31	248,354	63,314

16 Share capital and other reserves (continued)

Share premium

The difference in the fair value of the shares issued by the Company over the value of the net monetary assets of the Broadstone gives rise to share premium upon consummation of the Business Combination Agreement.

In addition, upon consummation of the Business Combination 9,400,000 ordinary shares at $0.0001 par value were issued to PIPE investors at $10 per share giving rise to share premium of £71,036 thousand.

See note 7 for further details

As at December 31, 2021 warrants issued to American and Avolon were issued and exercised. The excess of the fair value of these warrants over the par value of the shares issued is recognised in share premium. See note 21 for more details.

Other reserves

American held 5,804 Z-Shares in VAGL immediately prior to the Business Combination. As part of the consideration for the acquisition of VAGL, American exchanged its existing shareholding in VAGL for 6,125,000 Ordinary Shares in the Company. See note 7 for more details.

Upon consummation of the Business Combination, convertible loans issued to Microsoft and Rocket (totalling £25,000 thousand) and Stephen Fitzpatrick (£9,000 thousand) were converted into equity.

As at December 31, 2021 warrants issued to Virgin were issued but not exercised. The fair value of these warrants is reflected within other reserves as they satisfy the “fix to fix” criterion as per IAS 32. See note 21 for more details.

Loans from related parties

12 Months Ended
Dec. 31, 2021

Loans from related parties
Loans from related parties

17 Loans from related parties

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Current loans and borrowings		
Loans from related parties	—	6,309

Loans from related parties represents a loan from Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick. Movements in the year were as follows:

	2021	2020
	£ 000	£ 000
As at January 1	6,309	—
Amounts advanced	2,945	5,600
Interest charged	483	709
Amounts repaid	(737)	—
Conversion to equity	(9,000)	—
As at December 31	—	6,309

17 Loans from related parties (continued)

The loan attracted an interest rate of 30% per annum (2020: 30%) and was repayable on demand.

During the year loans was issued to Microsoft Corporation and Rocket Internet SE. Movements in the year were as follows:

	2021 £ 000
As at January 1	—
Amounts advanced	25,000
Interest charged	—
Amounts repaid	—
Conversion to equity	(25,000)
As at December 31	—

The loans and borrowings classified as financial instruments are disclosed in note 25 Financial instruments.

The Company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in note 26 Financial risk management and impairment of financial assets.

Leases
Leases

18 Leases

The balance sheet shows the following amounts relating to lease liabilities:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Long term lease liabilities	1,580	846
Current lease liabilities	362	175
	1,942	1,021

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Less than one year	425	175
Within 2 - 5 years	1,653	700
More than 5 years	262	397
Total lease liabilities (undiscounted)	2,340	1,272

18 Leases (continued)

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	December 31, 2021	December 31, 2020
	£ 000	£ 000
Right of use assets	240	220
Low value leases	—	—
Short term leases	49	64
Total cash outflow	289	284

A reconciliation of the lease creditors is shown below:

	£000
As at January 1, 2020	1,166
Interest element of payments to finance lease creditors	(74)
Principal element of payments to finance lease creditors	(146)
Interest expense on leases	74
As at December 31, 2020	1,021
Additions	1,084
Interest element of payments to finance lease creditors	(78)
Principal element of payments to finance lease creditors	(162)
Interest expense on leases	77
As at December 31, 2021	1,942

Lease creditors relate to a property in Bristol, UK. In addition, during 2021, the Company entered into a 5-year lease agreement for a property in Kemble, UK. The cost, depreciation charge and carrying value for the right-of-use asset is disclosed in note 12 Right of use assets. The interest expense on lease liabilities is disclosed in note 8 Finance costs.

Provisions

12 Months Ended
Dec. 31, 2021

Provisions
Provisions

19 Provisions

	Dilapidations
	£ 000
As at January 1, 2020	83
Unwinding of discount	5
As at December 31, 2020	88
Unwinding of discount	7
As at December 31, 2021	95

The dilapidation provision was recognized as a result of the obligation to return the leased property in Bristol, UK to its original condition at the end of the lease which currently expires in 2028. The provision is recognized at amortized cost with discount unwind being recognized each year. The provision is expected to be utilized at the end of the lease period.

Trade and other payables

12 Months Ended
Dec. 31, 2021

Trade and other payables
Trade and other payables

20 Trade and other payables

Amounts falling due within one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Trade payables	6,715	846
Accrued expenses	26,358	1,226
Amounts due to related parties	—	56
Social security and other taxes	7,145	203
Outstanding defined contribution pension costs	9	70
	40,227	2,401

Accrued expenses includes £9,666 thousand indirectly attributable financial and capital markets advisory fees.

Social security and other taxes includes Stamp Duty payable of £6,669 thousand.

Amounts falling due after more than one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Deferred transaction fee payable	5,975	—

Due to the Business Combination transaction, the Group has deferred transaction fees payable at December 31, 2021.

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 26 Financial risk management and impairment of financial assets.

21 Warrants

Warrants and options issued to Mudrick and MWC

As at December 16, 2021 and December 31, 2021 the following warrants were issued but not exercised:

	Number
Public Warrants	15,265,146
Mudrick Warrants	4,000,000
MWC Options	2,000,000
	21,265,146

Recorded as a liability, the following shows the change in fair value during the year ended December 31, 2021:

	£ 000
January 1, 2021	—
Additions	17,801
Change in fair value recognised in profit or loss	(6,817)
Foreign exchange movements	(254)
December 31, 2021	10,730

21 Warrants (continued)

Public warrants may only be exercised for a whole number of shares. The public warrants will expire five years from the consummation of the Business Combination or earlier upon redemption or liquidation.

Once the public warrants become exercisable, the Company may redeem the public warrants for redemption at a price of $0.01 per public warrant if the closing price of the common stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period.

Each public warrant entitles the registered holder to purchase one share of common stock at a price of $11.50 per share. The exercise price and number of common stock issuable upon exercise of the public warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger, or consolidation. The public warrants will not be adjusted for issuances of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the public warrants.

Warrants issued to Virgin, American and Avolon

On October 29, 2021, the Company entered into the Virgin Atlantic Warrant Instrument, which provides for a warrant over 2,625,000 Ordinary Shares issued immediately after the Share Acquisition Closing. As at December 31, 2021, these warrants remained outstanding and were valued at £8,558 thousand, within other reserves, using a Black-Scholes Model with the following inputs:

	December 31, 2021
Spot	$ 10.68
Strike	$ 10.00

Risk-free rate (%)	0.05
Dividend yield	—
Maximum term to exercise	4
Volatility (%)	50

Had 75% been used as an alternative yet feasible volatility input then a valuation of £11,907 thousand would have been derived as the entry to other reserves. Adjustments to the other inputs would have not derived a materially different valuation.

Immediately after the Share Acquisition Closing, the Company entered into the American Warrant Instrument, which provides for a warrant over 2,625,000 Ordinary Shares that were both issued and exercised immediately after the Share Acquisition Closing.

Immediately after the Share Acquisition Closing, the Company entered into the Avolon Warrant Instrument, which provides for warrants over 6,378,600 Ordinary Shares that were both issued and exercised immediately after the Share Acquisition Closing.

Avolon were also issued with, and exercised, 3,765,000 commercial warrants by the Company as a result of Avolon entering into a firm commitment to place 100 aircraft with a prime carrier.

A contract asset has not been recognised as the customer has the ability to terminate the contract without penalty and the aircraft subject to the purchase order has not yet been certified, therefore an expense has been recognised as shown below:

	£ 000
American (2,625,000 warrants)	21,186
Avolon (6,378,600 warrants)	51,481
Avolon commercial (3,765,000 warrants)	30,386
Virgin (2,625,000 warrants)	8,558
	111,611

Pension and other schemes

12 Months Ended
Dec. 31, 2021

Pension and other schemes

Pension and other schemes

22 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £471 thousand (2020: £271 thousand).

Contributions totalling £9 thousand (2020: £70 thousand) were payable to the scheme at the end of the year and are included in trade and other payables.

12 Months Ended
Dec. 31, 2021

23 Share-based payments

Scheme details and movements

On September 11, 2020, the VAGL implemented an Enterprise Management Incentive ("EMI") scheme. An EMI scheme is a tax advantaged share scheme that can be operated by qualifying companies. The scheme comprised options over B ordinary shares which are exercisable over a set period, dependent upon when the employee joined the scheme.

This scheme remained in existence as at December 31, 2021 and therefore the number and fair value of options presented in note 23 relate solely to this scheme.

Subsequent to the year ended December 31, 2021 the scheme was modified. This modification reflects the revised capital structure of the Company following completion of the Business Combination transaction. As part of this modification, all option holders exchanged their options held in VAGL for newly issued options in the Company.

Also subsequent to the year ended December 31, 2021, the Board of Directors adopted the 2021 Incentive Award Plan in order to facilitate the grant of cash and equity incentives, which is essential to our long-term success.

The impact of the modification of the EMI scheme and the adoption of the 2021 Inventive Aware Plan is not reflected in these financial statements as both of these events occurred subsequent to the year ended December 31, 2021.

During the year ended December 31, 2021 a total of 2,000,000 private options were awarded to Marcus Waley-Cohen. For more details see note 21 and note 27.

The movements in the number of EMI share options during the year were as follows:

	December 31, 2021	December 31, 2020
	Number	Number
Outstanding, start of period	16,817	—
Granted during the period	3,147	16,817
Forfeited during the period	(294)	—
Outstanding, end of period	19,670	16,817

23 Share-based payments (continued)

The EMI share options granted were all granted prior to March 31, 2021, after which no new grants were made.

The movements in the weighted average exercise price of share options during the year were as follows:

	December 31, 2021	December 31, 2020
	£	£
Outstanding, start of period	143.28	—
Granted during the period	1,178.94	143.28
Forfeited during the period	204.00	—

Outstanding, end of period	308.06	143.28

The exercise price of share options granted during the year is based upon the valuation of VAGL in contemplation of the Business Combination and the number of VAGL shares issued and outstanding at the time of grant.

Outstanding share options

Details of share options outstanding at the end of the year are as follows:

	31 December 2021	31 December 2020
Weighted average exercise price (£)	308.06	143.28
Number of share options outstanding	19,670	16,817
Expected weighted average remaining vesting period (years)	1.12	1.13

The number of options which were exercisable at December 31, 2021 was 7,715 (2020: 7,635) with exercise prices ranging from £38.22 to £1,298.49.

The range in exercise price reflects the valuation of VAGL as at the date when the respective options were granted.

Fair value of options granted

The weighted average fair value per option of options granted during the period at measurement date was £31.97 (2020: £6.70).

The option pricing model used was Black Scholes and the main inputs are set out in the table below. The date of grant of the options was between September 11, 2020 and March 12, 2021.

	December 31, 2021	December 31, 2020
Average share price at date of grant (£)	492.42	40.36
Expected volatility (%)	50.00	50.00
Vesting period in years	4	1
Dividends	—	—
Option life in years	4.25	4.00
Risk-free interest rate (%)	0.28	(0.13)

The change in vesting period from December 31, 2020 to December 31, 2021 reflects the terms of the newly granted EMI share options during 2021.

23 Share-based payments (continued)

Volatility

Given the lack of share price history and volatility, the volatility has been estimated with reference to other industry competitors, on a listed stock market, with a premium attached for the uncertainty around an unlisted investment.

Share based payments charge

During the year, a charge of £156 thousand was recognised for equity settled share-based payment transactions (2020: £96 thousand). Refer to note 7 Expenses by nature.

Derivative financial liabilities	12 Months Ended Dec. 31, 2021

Derivative financial liabilities

Derivative financial liabilities

24 Derivative financial liabilities

Convertible Senior Secured Notes consists of the following:

	Mudrick £ 000
As at January 1, 2020	—
As at December 31, 2020	—
Issuance of Convertible Senior Secured Notes	141,981
Fair value movements	(26,876)
Foreign exchange movements	(2,306)
As at December 31, 2021	112,799

During the year ended December 31, 2021 additional convertible loan notes were issued to Microsoft Corporation and Rocket Internet, giving rise to proceeds of £25,000 thousand. These loans were converted into equity during the year. See note 17, Loans from related parties for more information.

Concurrently with the consummation of the Business Combination, Mudrick purchased Convertible Senior Secured Notes of and from the Company in an aggregate principal amount of £151,000 thousand ($200,000 thousand) for an aggregate purchase price of £145,000 thousand ($192,000 thousand) (the "Purchase Price").

The Convertible Senior Secured Notes are initially convertible into up to 18,181,820 ordinary shares at an initial conversion rate of 90.9091 ordinary shares per £756 ($1,000) principal amount of Convertible Senior Secured Notes.

Upon the occurrence of a Fundamental Change, Mudrick has the right, at its option, to require us to repurchase for cash all or any portion of its Convertible Senior Secured Notes in principal amounts of £756 ($1,000), at a fundamental change repurchase price equal to the principal amount of the Convertible Senior Secured Notes to be repurchased plus, if repurchased before the second anniversary of issuance, certain make-whole premiums, plus accrued and unpaid interest.

A fundamental change consists of a change in beneficial owner of the Company; the sale of all or substantially all of the assets or share capital of the Company; dissolution or liquidation of the Company; or NYSE de-listing.

The Convertible Senior Secured Notes will bear interest at the rate of 7% per annum if the Company elects to pay interest in cash or 9% per annum if the Company elects to pay interest in-kind, by way of PIK Notes. Interest will be paid semi-annually in arrears. Upon the occurrence of an event of default, an additional 2.00% will be added to the stated interest rate. The Convertible Senior Secured Notes will mature on the fifth anniversary of issuance and will be redeemable at any time by the Company, in whole but not in part, for cash, at par plus, if redeemed before the second anniversary of issuance, certain make-whole premiums.

24 Derivative financial liabilities (continued)

A number of covenants exist in relation to the Company's obligations with regard to payment of notes and interest; furnishing the trustee with exchange act reports; compliance with Section 13 or 15(d) of the Exchange Act; provision of an annual compliance certificate; relinquishing of the

benefit or advantage of, any stay, extension or usury law; acquisition of notes by the Company; permitting any Company subsidiaries to become liable for the notes; limitation on liens securing indebtedness; limitation on asset sales; limitation on transactions with affiliates; limitation on restricted payments; retention of $10 million cash; guarantors; and material IP. No breaches have been identified during the year.

Accordingly, cash at bank includes £7,420 thousand deemed to be restricted as at December 31, 2021.

In accordance with IFRS 9, this is treated as a hybrid instrument and is designated it in entirety as fair value through profit or loss. Therefore, upon initial recognition the Company has not separated the convertible note into a host liability component (accounted for at amortized cost) and the derivative liability components (accounted for at fair value through profit or loss). The valuation methods and assumptions are shown in note 25.

Financial instruments

Financial instruments
Financial instruments

12 Months Ended
Dec. 31, 2021

25 Financial instruments

Financial assets at amortized cost

	Carrying value		
	December 31, 2021	December 31, 2020	Dece
Cash at bank	212,660	839	
Trade and other receivables	672	810	
	213,332	1,649	

The fair value of financial assets is based on the expectation of recovery of balances. All balances are expected to be received in full.

Financial liabilities at amortized cost:

	Carrying Value		
	December 31, 2021	December 31, 2020	Dec
	£ 000	£ 000	
Trade and other payables	45,717	2,128	
Borrowings	—	6,309	
Lease liabilities	1,942	1,021	
	47,659	9,458	

25 Financial instruments (continued)

Financial liabilities at fair value through profit or loss:

	Carrying Value		
	December 31, 2021	December 31, 2020	Dece
	£ 000	£ 000	
Convertible Senior Secured Notes	112,799	—	
Warrant liabilities (Note 21)	10,730	—	
	123,529	—	

Warrants are traded in an active market and are therefore categorized in level 1 of the fair value hierarchy (see note 21). Convertible Senior Secur
contract and embedded derivative) are categorized in level 3 of the fair value hierarchy (see note 24).

Valuation methods and assumptions

Financial liabilities at amortized cost

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the bal
is material. Due to their short maturities, the fair value of the trade and other payables approximates to their book value.

The total interest expense for financial liabilities not held at fair value through profit or loss is £747 thousand (2020: £801 thousand).

Financial liabilities at fair value through profit or loss

The fair value of the convertible senior secured notes has been estimated using a binomial lattice framework in consideration of the American-opt
embedded features. Company specific inputs include the expected probability and timing of future equity financing, in addition to the probability
fundamental change. The following observable inputs have been used:

Interest rate (%)
Risk-free rate (%)
Dividend yield
Volatility (%)
Credit spread (%)

As of December 16, 2021 an estimated fair value of £141,981 thousand was calculated as the issuance price of the convertible note and warrants (
Discount from £151,000 thousand face value). Specifically, management performed a calibration analysis, back solved for the implied credit sprea
of the convertible notes and warrants would reconcile with the £145,000 thousand issuance price as of December 16, 2021 along with other inputs

volatility, term, dividend and risk-free rate. The implied credit spread, and the fair value of the convertible note were estimated to be 2,179 basis p
£141,981 thousand, respectively, through this calibration process.

25 Financial instruments (continued)

As of December 31, 2021 an estimated a fair value of £112,799 thousand was calculated for the convertible note based on the following valuation

- Stock price: $6.73 based on the stock price observed for as at December 31, 2021
- Risk free rate: 1.25% based on the US Treasury Yield interpolated to match the term input
- Volatility: 52.50% based on the estimated equity volatility as adjusted via a volatility haircut process
- Credit spread: 2,179 bps based on the estimated implied credit spread estimated
- Dividend yield: 0% based on management's expectation

Had the stock price traded higher, or a higher volatility been assumed then this would have resulted in a higher fair value being attributed to the in

Financial risk management and impairment of financial assets

Financial risk management and impairment of financial assets

Financial risk management and impairment of financial assets

12 Months Ended

Dec. 31, 2021

26 Financial risk management and impairment of financial assets

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Credit risk and impairment

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from prepayments to suppliers and distributors and deposits with the Group's bank.

Included in cash at bank is £10,388 thousand which is set aside to satisfy a short-term commitment that was satisfied during April 2022 and included within trade and other payables.

Also included in Cash at bank is £7,420 thousand deemed to be restricted as at December 31, 2021.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £672 thousand (2020: £2,799 thousand) being the total of the carrying amount of financial assets excluding cash, which includes trade receivables and other receivables. All the receivables are with parties in the UK.

The allowance account of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly. The Group provides for impairment losses based on estimated irrecoverable amounts determined by reference to specific circumstances and the experience of management of debtor default in the industry.

On that basis, the loss allowance as at December 31, 2021 and December 31, 2020 was determined as £nil for trade receivables.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's financial position. The Group's principal exposure to market risk is exposure to foreign exchange rate fluctuations. There are currently no currency forwards, options, or swaps to hedge this exposure.

26 Financial risk management and impairment of financial assets (continued)

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from exposure to various currencies in the ordinary course of business. The Group received proceeds from the Business Combination transaction in USD, and subsequently holds cash in both USD and GBP. The majority of the Group's trading costs are in GBP. The Group also has supply contracts denominated in USD and EUR. The Group holds sufficient cash in both USD and GBP to satisfy its trading costs in each of these currencies. In 2020 and 2021, the Group did not consider foreign exchange rate risk to have

a material impact on the financial statements and therefore no sensitivity analysis is presented The Company may be exposed to material foreign exchange risk in subsequent years as a result of the significance of the USD denominated Convertible Senior Secured Notes in particular relative to USD cash deposits held (which were $145,098 thousand at December 31,2021) and which are expected to decline as expenses are incurred until future funding is secured.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Group's management uses short and long-term cash flow forecasts to manage liquidity risk. Forecasts are supplemented by sensitivity analysis which is used to assess funding adequacy for at least a 12-month period.

The Company manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

Maturity analysis

	Within 1 year	Between 2 and 5 years	After more than 5 years	Total
2021	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	40,227	5,975	—	46,202
Lease liabilities	362	1,343	237	1,942
Convertible senior secured notes	—	112,799	—	112,799
	40,589	120,117	237	160,943
2020				
Trade and other payables	2,401	—	—	2,401
Lease liabilities	175	700	397	1,272
Other borrowings	6,309	—	—	6,309
	8,885	700	397	9,982

Capital management

The Group's objective when managing capital is to ensure the Group continues as a going concern; and grows in a sustainable manner. Given the ongoing development of eVTOL aircraft with minimal revenues, the Group relies on funding raised from the Business Combination transaction and other equity investors. Cash flow forecasting is performed on a regular basis which includes rolling forecasts of the Group's liquidity requirements to ensure that the Group has sufficient cash to meet operational needs.

Related party transactions

12 Months Ended
Dec. 31, 2021

Related party transactions
Related party transactions

27 Related party transactions

Key management personnel

In 2021 key management personnel are the members of the Board.

In 2020 key management personnel are the CEO and the first line of reporting into the CEO, excluding support staff. There were 3 key management personnel in 2020.

Key management compensation

	2021	2020	2019
	£ 000	£ 000	£ 000
Salaries and other short term employee benefits	244	374	181
Payments to defined contribution pension schemes	14	39	24
Share-based payments	156	92	—
	414	505	205

In addition to the above, upon consummation of the Business Combination, Marcus Waley-Cohen was awarded 2,000,000 private options by the Company valued at £1,572 thousand (For more details see note 21).

Summary of transactions with other related parties

Imagination Industries Ltd

During the year ended December 31, 2021, the Group received loan funds from Imagination Industries Ltd of £2,945 thousand (2020: £5,600 thousand). The loan incurred an interest charge at 30% (2020: 30%) of £483 thousand (2020: £709 thousand) and amounts repaid totalled £737 thousand (2020: £nil).

During the year ended December 31, 2021, Imagination Industries Incubator Ltd charged the Group management fees of £108 thousand (2020: £144 thousand). The total balance outstanding at December 31, 2021 was £nil (2020: £72 thousand).

At December 31, 2021 the total balance owed to Imagination Industries Ltd was £nil (2020: £6 thousand).

Stephen Fitzpatrick

During the year ended December 31, 2021 the Group agreed to reallocate the loan outstanding from Imagination Industries Ltd totalling £9,000 thousand to Stephen Fitzpatrick. The loan was released by Stephen Fitzpatrick in exchange for newly issued share capital in the Company.

Upon consummation of the Business Combination, Stephen Fitzpatrick advanced $5m, recognised as £3,779 thousand, as part of the PIPE in exchange for 500,000 ordinary shares in the Company.

27 Related party transactions(continued)

Dómhnal Slattery

On January 1, 2022, Dómhnal Slattery, who is also the Chief Executive Officer of Avolon, was appointed Chairman of the Board of Directors of the Company.

Vertical Advanced Engineering Ltd

On October 31, 2021, Vertical Advanced Engineering Ltd was disposed of for nominal consideration. During the year ended December 31, 2021, the Group charged Vertical Advanced Engineering Ltd a total of £65 thousand for engineering design services.

Ultimate controlling party

12 Months Ended
Dec. 31, 2021

Ultimate controlling party
Ultimate controlling party

28 Ultimate controlling party

The ultimate controlling party is Stephen Fitzpatrick.

Non adjusting events after the reporting period	12 Months Ended Dec. 31, 2021
Non adjusting events after the reporting period	
Non adjusting events after the reporting period	**29 Non adjusting events after the reporting period**
	No such events have occurred following the end of the reporting period.

Significant accounting policies (Policies)	12 Months Ended Dec. 31, 2021

Significant accounting policies

Presentation of these financial statements

Presentation of these financial statements

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") International Accounting Standards Board ("IASB").

The capital reorganisation

The capital reorganization

On December 15, 2021 the Company consummated the capital reorganization pursuant to the Business Combination Agreement dated June 10, 20

On the closing date the Company acquired all of the ordinary shares of VAGL, from VAGL shareholders, in consideration for the issuance of ordi Company, by way of a share for share exchange (the "share acquisition"), such that VAGL became a wholly owned subsidiary of the Company.

At the same time Broadstone (Broadstone Acquisition Corp., a Cayman Islands exempted company), a special purpose acquisition company, merg Sub (Vertical Merger Sub Ltd., a Cayman Islands exempted company).

As a result of which (a) the separate corporate existence of Merger Sub ceased and Broadstone continued as the surviving company, (b) each issue of Broadstone was cancelled, in exchange for an equivalent security of the Company, (c) each issued and outstanding founder share was transferre consideration for one Company ordinary share.

Additionally, certain investors concurrently subscribed for and purchased £71,594 thousand of ordinary shares of the Company ("PIPE Financing"

2 Significant accounting policies (continued)

The Business Combination is accounted for as a capital reorganization in accordance with IFRS. Under this method of accounting, Broadstone is company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of the VAGL issuing shares at the c Combination for the net assets of Broadstone as of the closing date, accompanied by a recapitalization.

The reorganization, which was not within the scope of IFRS 3 since Broadstone did not meet the definition of a business, was accounted for withi Accordingly, the Company recorded a one-time non-cash expense of £84,712 thousand, recognized as a share listing expense, based on the excess Company shares issued considering a fair value of a share, at $10.68 per share over the fair value of Broadstone's identifiable net assets (see note

The Business Combination generated gross cash proceeds of approximately £218,303 thousand, including £71,594 thousand proceeds from the PI included £141,981 thousand from Convertible Senior Secured Notes, consummated simultaneously with the Business Combination.

Basis of preparation

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and l derivative financial instruments) which are recognized at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires managem judgement in the process of applying the company's accounting policies.

The functional currency of the Company is US Dollars ('$' or 'USD') and the functional currency of VAGL is pounds sterling ('£' or 'GBP'). Th presented in pounds sterling ('£' or 'GBP'), which is the Group's presentation currency. Items included in the financial statements are measured u primary economic environment in which the entity and its subsidiaries operate ("the functional currency"). Cumulative translation adjustments res foreign functional currency financial statements into GBP are reported within other reserves. All amounts are presented in and rounded to the nea otherwise indicated.

Basis of consolidation

Basis of consolidation

Vertical Aerospace Ltd is the parent of the Group. Details of the material subsidiaries are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights hel 2021
Vertical Aerospace Group Limited ("VAGL")	Development and commercialization of eVTOL technologies.	Unit 1, Camwal Court, Bristol, United Kingdom BS2 0UW	

On October 31, 2021 the VAGL disposed of its 100% investment in Vertical Aerospace Engineering Limited for nominal consideration.

The consolidated financial statements incorporate the financial positions and the results of operations of the Group. Control is achieved when the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Th the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balan on transactions between Group companies are eliminated.

COVID-19 Pandemic

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The rapid spread of COVID-19 caused vo financial markets and prompted governments and businesses to take unprecedented measures such as travel restrictions, quarantines, shelter-in-pl shutdowns. These measures resulted in the majority of the Group's workforce working from home with a small number of teams remaining onsite actions as may be recommended by government authorities or in the best interests of our employees.

Going concern

Going concern

The Group is currently in the research and development phase of its journey to commercialization of eVTOL technology. It is generating minimal

Management has prepared a cash flow model detailing the cash inflows and outflows of the Group. There are inherent risks in producing a forecas working in an emerging industry. For example, components needed for the development of the eVTOL prototypes may prove more costly than an can be no assurance that the timing and costs necessary to complete the development of eVTOL vehicles will prove accurate.

Several scenarios have been modelled and it is evident that future cash is required for the Group to reach the point where it is due to start generati plan. However, given the level of cash invested into the company and the current trajectory, management has concluded that no material uncertain Group's ability to continue as a going concern for at least 12 months from the date of approving these financial statements.

Changes in accounting policy

Changes in accounting policy

The Group adopted the following standards and amendments for the first time from the annual reporting period commencing January 1, 2021:

Interest Rate Benchmark Reform – phase 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the

No new accounting standards and interpretations that have been published and are not mandatory for December 31, 2022 reporting periods have b Group or are expected to have a material impact on the Group in current or future reporting periods.

Revenue recognition

Revenue recognition

Revenues are minimal to the Group and are generated from the performance of engineering consultancy services to customers.

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the natur uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS principles are applied using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The revenue for the Group relates solely to engineering consultancy services and revenue is recognised once the Group has satisfied the performa contracts that the Group enters into comprise payments when certain milestones are met. Revenue is recognised at each milestone event and only

Government grants

Government grants

Government grants are recognised as Other operating income and are recognised in the period when the expense to which the grant relates is incu recognised when there is a signed grant offer letter or equivalent from the government body and there is reasonable assurance that the Group will conditions of the grant.

The Group is the recipient of R&D tax credits in the UK. These tax credits are presented within Other operating income.

Receivables relating to government grants are presented in Trade and other receivables at their fair value.

Research and development expenses

Research and development expenses

Research expenditure is charged to profit or loss in the period in which it occurred.

Development expenditure is recognised as an intangible asset when it is probable that the project will generate future economic benefit, consideri technological, commercial and regulatory feasibility. Other development expenditure is charged to profit or loss in the period in which it occurred accounting judgements and key sources of estimation uncertainty for a discussion on the judgement of this classification.

The amounts included in research and development expenses include staff costs for staff working directly on research and development projects a attributable to a research project, excluding software costs.

Finance income and costs

Finance income and costs

Finance income and costs includes the fair value movement on publicly traded warrants and convertible loan notes.

Finance expense includes interest payable and is recognised in profit or loss using the effective interest method.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency transactions and balances

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Foreign exchange g
from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end
recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the
was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation
the consolidation of subsidiaries whose functional currency differs to the presentational currency of the group are recoded within other compreher

The most important exchange rates that have been used in preparing the financial statements are:

Closing rate as at December 31, 2021: USD $1 = GBP £0.7420
Average rate for the year ending December 31, 2021: USD $1 = GBP £0.7270

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an it
recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting dat
company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpre
whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the mos
expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, o
settle the liability simultaneously.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the a
purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilitie
accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they w
the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount o
using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and los

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the defer
the same taxation authority.

Property, plant and equipment

Property, plant and equipment

Property, plant and equipment is stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property under right of use	Straight line over term of lease
Computer equipment	3 years straight line
Leasehold improvements	5 - 9 years straight line

Intangible assets

Intangible assets

Intangible assets are carried at cost, less accumulated amortization and impairment losses.

Computer software licences acquired for use within the Company are capitalized as an intangible asset on the basis of the costs incurred to acquir
specific software.

Amortization

Amortization is provided on intangible assets so as to write off the cost on a straight-line basis, less any estimated residual value, over their expec
follows:

Asset class	Amortization method and rate
IT software	3 years straight line

Business combinations and goodwill

Business combinations and goodwill

The purchase method is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value o instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities initially at their fair values on the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of identifiable intangible assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of net assets of the sub difference is recognised directly in profit or loss.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is tested annually for impairment or when there are indicators of im

Cash at bank

Cash at bank

Cash at bank is held on deposit with financial institutions located within the United Kingdom and is immediately available. Management has asse institutions that hold the Company's cash at bank to be financially sound, with minimal credit risk in existence.

Trade and other receivables

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest m impairment. A provision for the impairment of trade receivables is established using an expected credit loss model as per the Group's accounting of financial assets.

Other receivables represent amounts due from parties who are not customers and are measured at amortized cost.

Trade and other payables

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. A classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortized cost using the effective interest

Borrowings

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortize between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 mo date.

Provisions

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Com settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounte the effect is material.

Leases

Leases

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ('the underlying asset') for exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. convey the right to control the underlying asset, if throughout the period of use, the company has the right to:

Obtain substantially all the economic benefits from the use of the underlying asset, and; Direct the use of the underlying asset (for example, direct purpose the asset is used).

2 Significant accounting policies (continued)

Initial recognition and measurement

The company initially recognizes a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underl term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payme exercise price (where reasonably certain), expected amount of residual value guarantees, termination option penalties (where reasonably certain) payments that depend on an index or rate.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the comp and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments o other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining liability. Interest charges are included in finance costs in profit or loss, unless the costs are included in the carrying amount of another asset applyi standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in whic that triggers them arises.

Right-of-use assets

Right-of-use assets

The related right-of-use asset is accounted for using the cost model in IFRS 16 and depreciated and charged in accordance with the depreciation r Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying valu where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Imp disclosed in the accounting policy in impairment.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognize lease assets and lease liabilities for leases wit 12 months or less (short term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognize lease assets on leases for which the underlying as

Lease payments on short term and low value leases are accounted for on a straight-line bases over the term of the lease or other systematic basis. S lease payments are included in operating expenses.

Impairment (non-financial assets)

Impairment (non-financial assets)

All assets are reviewed for impairment when there is an indicator of impairment. In addition, goodwill is reviewed for impairment at least annuall recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, ass lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the period.

Share capital

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, ne issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Employee Benefits

Employee Benefits

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive oblig contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior peri

For defined contribution plans, contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractu are recognized as employee benefit expense when they are due.

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are mea expected to be paid when the liabilities are settled. The liabilities are presented as accruals and classified as current liabilities in the balance sheet.

Share based payments - Enterprise Management Incentive and 2021 Incentive Plan

Share based payments – Enterprise Management Incentive and 2021 Incentive Plan

The Company operates an equity-settled, share based compensation plan, under which the entity receives services from employees as considerati (share options or shares). The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expen
vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances emplo
in advance of the grant date and therefore, the grant date fair value is estimated for the purposes of recognizing the expense during the period betw
commencement period and grant date.

2 Significant accounting policies (continued)

At the end of each reporting period, the Company revises its estimates of the number of shares that are expected to vest based on the non-market v
Company recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

See note 23 for further details.

Other non-current share-based payments were made during the year as detailed within the significant accounting policy for the capital reorganizat
included with the critical accounting judgements and key sources of estimation uncertainty.

Financial instruments

Financial instruments

Financial instruments are contracts that give rise to a financial asset for one entity and to a financial liability or equity instrument for another entit
financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades)
settlement date.The company recognizes financial assets and financial liabilities in the statement of financial position when, and only when, the co
the contractual provisions of the financial instrument. Financial assets and financial liabilities are offset, and the net amount is reported in the stat
if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets
simultaneously.

Financial assets

The Group's financial assets include cash at bank and other financial assets. Financial assets are initially measured at fair value plus, in the case o
measured at fair value through profit or loss, transaction costs. Trade receivables are measured at their transaction price.

For all financial assets the Group has the objective to hold financial assets in order to collect the contractual cash flows. The contractual terms of a
assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding amount. All financial assets a
amortized cost.

Impairment of financial assets — expected credit losses ("ECL")

All financial assets measured at amortized cost are required to be impaired at initial recognition in the amount of their expected credit loss ("ECL"
between the contractual and expected cash flows

The simplification available for financial instruments with a low credit risk ("low credit risk exemption") is applied as of the reporting date. Facto
low credit risk assessment are debtor specific rating information and related outlooks. The requirement for classification with a low credit risk is n
counterparties that have at least an investment grade rating; in this case there is no need to monitor credit risks for financial instruments with a lo

Financial liabilities

The Group's financial liabilities include warrants, lease liabilities, convertible loans, trade and other payables, and other financial liabilities. Finan
classified as measured at amortized cost or fair value through profit or loss ("FVTPL"). All financial liabilities are recognized initially at fair valu
financial liability not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities at FVTPL are measured at fair value and gains and losses resulting from changes in fair value are recognized in finance incom
only accounts for convertible loans and warrants as a financial liability at FVTPL. All other financial liabilities are subsequently measured at amo

2 Significant accounting policies (continued)

An embedded derivative in a hybrid contract, with a financial liability or a non-financial host, is separated from the host and accounted for as a se
economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would
derivative; and the hybrid contract is not measured at fair value through profit or loss. The assessment whether to separate an embedded derivativ
initial recognition of the hybrid contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liabil
from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modifica
derecognition of the original liability and the recognition of a new liability.

Convertible Loans

Convertible loans are bifurcated into a debt component and a conversion right if the latter is an equity instrument. The conversion right of a conve
instrument but a liability if some conversion features of the loan lead to a conversion into a variable number of shares. In this case it has to be asse
derivatives need to be separated from the host contract. If this is the case, the remaining host contract is measured at amortized cost and the separa
is measured at fair value through profit or loss until the loan is converted into equity or becomes due for repayment. The conversion features and
provided for in the contract are identified as a combined embedded derivative if they share the same risk exposure and are interdependent.

Warrant Liabilities

Public warrants are recognized as liabilities in accordance with IFRS 9 at fair value. The liabilities are subject to re-measurement at each balance
Private warrants linked to sales targets are recognised within equity as these satisfy the "fix to fix" criterion within IAS 32.

Fair value measurements

IFRS 13 clarifies that fair value is a market price, representing the amount received to sell an asset or paid to transfer a liability in an orderly trans participants at the measurement date. Fair value is a market-based measurement, determined based on assumptions that market participants would liability. A three-tier hierarchy is established as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Other than quoted prices included in level 1, inputs that are observable for the asset or liability, either directly or indirectly, for suitability asset or liability.

Level 3 Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allo which there is little, if any, market activity for the asset or liability at the measurement date.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measure entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Warrants

Warrants

Public warrants relate to those warrants that commenced trading on the NYSE on December 16, 2021. Prior to that date, there was no public tradi ordinary shares or warrants.

Private warrants include those issued upon consummation of the business combination to American, members of the Avolon Group ("Avolon"), V Management L.P ("Mudrick"). Private options were issued to Marcus Waley-Cohen ("MWC").

The fair value of the Private Warrants is deemed to be equal to the fair value of the Public Warrants except where the terms of Private Warrants m Warrants. Differences exist, with regards to certain warrant, in the maximum term to exercise as well as the strike price.

An option pricing model (Black-Scholes Model) therefore been used to derive the fair value of Private Warrants. This valuation is judgmental. Fo the warrants, a description of the valuation model and the input parameters, see note 21.

On December 16, 2021 Private Warrants were issued to Avolon, American and Virgin Atlantic Limited ("Virgin"). Warrants issued to Avolon and immediately after issuance.

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The warrants meet the fixed-for-fixed criterion and are therefore recognised within other reserves until the point of exercise. The amount classifie initial recognition reclassified to share capital and share premium upon exercise.

Private Warrants and Options issued to Mudrick and MWC, along Public Warrants, are accounted for as liabilities in accordance with IAS 32, sub market adjustments. For more information see note 21.

Capitalization of development costs

Capitalization of development costs

The business incurs a significant amount of research and development cost. The point in time at which the business begins capitalization of any pr accounting judgement. The business assesses the technology readiness level of its research and development projects, along with the commerciali guidance from the accounting standards to assess whether a particular development project should be capitalized or not.

Costs for internally generated research and development are capitalized only if:

- the product or process is technically feasible;
- adequate resources are available to successfully complete the development;
- the benefits from the assets are demonstrated;
- the costs attributable to the projects are reliably measured;
- the Group intends to produce and market or use the developed product or process and can demonstrate its market relevance.

Management has concluded that in 2021 and 2020, none of the projects met the requirements for capitalization. While Management recognises a r eVTOLs, the market is not yet established or proven. Additionally, the Group is developing new technologies and there are still uncertainties abou completion of this development.

Significant accounting policies (Tables)

12 Months Ended Dec. 31, 2021

Significant accounting policies

Summary of details of subsidiaries

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2021	2020
Vertical Aerospace Group Limited (“VAGL”)	Development and commercialization of eVTOL technologies.	Unit 1, Camwal Court, Bristol, United Kingdom BS2 0UW	100 %	— %

Summary of estimated useful lives of property, plant and equipment

Asset class	Depreciation method and rate
Leasehold property under right of use	Straight line over term of lease
Computer equipment	3 years straight line
Leasehold improvements	5 - 9 years straight line

Summary of estimated useful lives of Intangible assets

Asset class	Amortization method and rate
IT software	3 years straight line

Revenue (Tables)

12 Months Ended
Dec. 31, 2021

Revenue

Summary of analysis of the company's revenue for the year from continuing operations

	2021	2020	2019
	£ 000	£ 000	£ 000
Rendering of engineering consultancy services	132	87	70

Other operating income (Tables)

12 Months Ended Dec. 31, 2021

Other operating income

Summary of analysis of the Group's other operating income

	2021	2020	2019
	£ 000	£ 000	£ 000
Government grants	8,829	1,989	—
R&D tax credit	2,388	328	399
Other	135	—	—
	11,352	2,317	399

Expenses by nature (Tables)

12 Months Ended
Dec. 31, 2021

Expenses by nature

Summary of expense by nature

Included within administrative expenses and research and development expenses are the following expenses.

	2021	2020	2019
	£ 000	£ 000	£ 000
Staff costs excluding share-based payment expenses	16,230	8,445	3,642
Share based payment expenses	111,996	96	—
Warrant expense (note 21)	111,611	—	—
Legal and financial advisory transaction costs	7,350	—	—
Software costs	1,506	579	191
Depreciation expense	377	279	89
Depreciation on right of use assets - Property	176	140	171
Amortisation expense	387	263	70
Consultancy costs	13,144	745	518
Expense on short term leases	49	64	8
Research and development components	11,378	2,555	2,096
Related party administrative expenses	108	144	144
Marketing expenses	3,918	—	—
Stamp duty	6,669	—	—
Other administrative expenses	3,760	565	922
Total administrative and research and development expenses	288,659	13,875	7,851

Summary of share based payment expense

	2021
	£ 000
Issuance of Z-Shares to American	16,739
Capital reorganization	84,712
Issuance of PIPE shares to suppliers and partners	10,389
Enterprise Management Initiative	156
	111,996

Schedule of inputs used

Risk-free rate	0.75 %
Dividend yield	—
Volatility	75 %

Schedule of calculation of fair value of Z-Shares

	Business combination completes	Business combination does not complete
	£'000	£'000
Value of Z-Shares as at June 10, 2021	30,105	2,558
Less valuation of call option	(8,121)	—
Fair value of Z-Shares as at June 10, 2021	21,984	2,558

Schedule of cost of service

	2021
	£'000
Market value of 9,203,984 ordinary shares ($10.68 per share)	74,265
Cash acquired	4,728
Warrants acquired (15,701,067 warrants at $1.04 per warrant)	(11,997)
Accounts payable acquired	(2,289)
Add net liabilities acquired	(9,558)
Foreign exchange differences	671

Charge for listing services	83,152

Finance income (costs) (Tables)

12 Months Ended Dec. 31, 2021

Finance income/(costs)

Summary of finance costs

	2021	2020	2019
	£ 000	£ 000	£ 000
Interest on loans from related parties	(483)	(709)	—
Bad debt write-off	(14)	—	(15)
Fair value losses	—	(18)	—
Interest expense on leases	(77)	(74)	(46)
Other	(1)	(6)	(5)
Total finance costs	(575)	(807)	(66)
Fair value gains	32,578	—	—
Other	12	—	—
Total finance income	32,590	—	—
Total finance income/(costs)	32,015	(807)	(66)

Loss per share (Tables)

12 Months Ended
Dec. 31, 2021

Earnings per share [abstract]

Summary of calculation of loss per share

	2021	2020	2019
	£ 000	£ 000	£ 000
Net loss for the period	(245,224)	(12,326)	(7,484)
	£	£	£
Basic and diluted loss per share	(1.98)	(0.12)	(0.07)
	No. of shares	No. of shares	No. of shares
Weighted average issued shares	124,130,921	99,904,427	99,904,427

Taxation (Tables)

12 Months Ended
Dec. 31, 2021

Taxation

Summary of tax charged/(credited) in profit or loss

	2021	2020	2019
	£ 000	£ 000	£ 000
Current taxation			
UK corporation tax	—	(4)	30

Summary of differences between corporation tax benefit at standard rate and total tax (expense)/benefit

	2021	2020	2019
	£ 000	£ 000	£ 000
Loss before tax	(245,224)	(12,322)	(7,514)
Corporation tax benefit at standard rate	46,593	2,341	1,428
Decrease in tax benefit from effect of expenses not deductible in determining taxable profit/(loss)	(92)	(135)	—
Decrease in tax benefit from tax losses for which no deferred tax asset was recognised	(46,501)	(841)	—
Decrease in tax benefit arising from group relief tax reconciliation	—	(1,369)	(1,428)
Deferred tax credit from unrecognised temporary difference from a prior period	—	—	30
Total tax benefit/(expense)	—	(4)	30

Property, plant and equipment (Tables)

12 Months Ended Dec. 31, 2021

Property, plant and equipment

Summary of property, plant and equipment

	Leasehold improvements	Office equipment	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,350	304	1,654
Additions	18	137	155
December 31, 2020	1,368	441	1,809
Additions	162	628	790
December 31, 2021	1,530	1,069	2,599
Depreciation			
At January 1, 2020	32	76	108
Charge for year	174	105	279
At December 31, 2020	206	181	387
Charge for the year	168	210	378
At December 31, 2021	374	391	765
Net book value			
At December 31, 2021	1,156	678	1,834
At December 31, 2020	1,162	260	1,422

Right of use assets (Tables)

12 Months Ended
Dec. 31, 2021

Right of use assets

Summary of right of use assets

	Leasehold Property
	£ 000
Cost or valuation	
At January 1, 2020 and 31 December 2020	1,445
Additions	1,084
At December 31, 2021	2,529
Depreciation	
At January 1, 2020	243
Charge for year	140
At December 31, 2020	383
Charge for the year	177
At December 31, 2021	560
Net book value	
At December 31, 2021	1,969
At December 31, 2020	1,062

Intangible assets (Tables)

12 Months Ended
Dec. 31, 2021

Intangible assets

Summary of intangible assets

	Goodwill	IT software	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At January 1, 2020	1,473	682	2,155
Additions	—	233	233
At December 31, 2020	1,473	915	2,388
Additions	—	2,565	2,565
At December 31, 2021	1,473	3,480	4,953
Amortisation			
At January 1, 2020	—	95	95
Amortisation charge	—	263	263
At December 31, 2020	—	358	358
Amortisation charge	—	387	387
At December 31, 2021	—	745	745
Net book value			
At December 31, 2021	1,473	2,735	4,208
At December 31, 2020	1,473	557	2,030

Trade and other receivables (Tables)

12 Months Ended Dec. 31, 2021

Trade and other receivables

Summary of trade and other receivables

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Government receivables	5,415	1,989
Prepayments	6,571	733
Other receivables	672	810
	12,658	3,532

Share capital and other reserves (Tables)

12 Months Ended Dec. 31, 2021

Share capital.

Summary of allotted, called up and fully paid shares

	December 31, 2021		December 31, 2020	
	No.	£	No.	£
A ordinary of £0.00001 each	—	—	100,000	1.00
B ordinary of £0.00001 each	—	—	4,832	0.05
Ordinary of $0.0001 each	209,135,382	15,804	—	—
	209,135,382	15,804	104,832	1.05

Schedule of movements in reserves

Movements in reserves are shown below

	Share Premium	Other Reserves
	£000	£000
As at January 1	—	4,117
Issuance of Z-Shares to American (note 7)	—	16,739
Debt to equity conversion of related party loan (note 27)	—	9,000
Debt to equity conversion of Microsoft and Rocket loan	—	25,000
Transfer of intergroup share capital	—	(15)
Share acquisition	—	50,724
Cumulative translation differences	—	(85)
Issuance of warrants to American, Avolon and Virgin (note 21)	103,053	8,558
Capital reorganization (note 7)	74,265	—
PIPE investment	71,036	—
As at December 31	248,354	63,314

Loans from related parties (Tables)

12 Months Ended Dec. 31, 2021

Loans from related parties

Summary of loans from related parties

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Current loans and borrowings		
Loans from related parties	—	6,309

Loans from related parties represents a loan from Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick. Movements in the year were as follows:

	2021	2020
	£ 000	£ 000
As at January 1	6,309	—
Amounts advanced	2,945	5,600
Interest charged	483	709
Amounts repaid	(737)	—
Conversion to equity	(9,000)	—
As at December 31	—	6,309

During the year loans was issued to Microsoft Corporation and Rocket Internet SE. Movements in the year were as follows:

	2021 £ 000
As at January 1	—
Amounts advanced	25,000
Interest charged	—
Amounts repaid	—
Conversion to equity	(25,000)
As at December 31	—

Leases (Tables)

12 Months Ended
Dec. 31, 2021

Leases

Summary of balance sheet shows the following amounts relating to lease liabilities

The balance sheet shows the following amounts relating to lease liabilities:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Long term lease liabilities	1,580	846
Current lease liabilities	362	175
	1,942	1,021

Summary of lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Less than one year	425	175
Within 2 - 5 years	1,653	700
More than 5 years	262	397
Total lease liabilities (undiscounted)	2,340	1,272

Summary of cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	December 31, 2021	December 31, 2020
	£ 000	£ 000
Right of use assets	240	220
Low value leases	—	—
Short term leases	49	64
Total cash outflow	289	284

Summary of reconciliation of the finance lease creditors

A reconciliation of the lease creditors is shown below:

	£000
As at January 1, 2020	1,166
Interest element of payments to finance lease creditors	(74)
Principal element of payments to finance lease creditors	(146)
Interest expense on leases	74
As at December 31, 2020	1,021
Additions	1,084
Interest element of payments to finance lease creditors	(78)
Principal element of payments to finance lease creditors	(162)
Interest expense on leases	77
As at December 31, 2021	1,942

Provisions (Tables)

12 Months Ended
Dec. 31, 2021

Provisions

Summary of dilapidation provision

	Dilapidations
	£ 000
As at January 1, 2020	83
Unwinding of discount	5
As at December 31, 2020	88
Unwinding of discount	7
As at December 31, 2021	95

Trade and other payables (Tables) | **12 Months Ended Dec. 31, 2021**

Trade and other payables

Summary of trade and other payables

Amounts falling due within one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Trade payables	6,715	846
Accrued expenses	26,358	1,226
Amounts due to related parties	—	56
Social security and other taxes	7,145	203
Outstanding defined contribution pension costs	9	70
	40,227	2,401

Amounts falling due after more than one year:

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Deferred transaction fee payable	5,975	—

Warrants (Tables)

12 Months Ended
Dec. 31, 2021

Warrants

Schedule of warrants issued but not exercised

As at December 16, 2021 and December 31, 2021 the following warrants were issued but not exercised:

	Number
Public Warrants	15,265,146
Mudrick Warrants	4,000,000
MWC Options	2,000,000
	21,265,146

Schedule of change in fair value of warrants

Recorded as a liability, the following shows the change in fair value during the year ended December 31, 2021:

	£ 000
January 1, 2021	—
Additions	17,801
Change in fair value recognised in profit or loss	(6,817)
Foreign exchange movements	(254)
December 31, 2021	10,730

Schedule of estimated fair value of market inputs

	December 31, 2021
Spot	$ 10.68
Strike	$ 10.00
Risk-free rate (%)	0.05
Dividend yield	—
Maximum term to exercise	4
Volatility (%)	50

Schedule of expense

	£ 000
American (2,625,000 warrants)	21,186
Avolon (6,378,600 warrants)	51,481
Avolon commercial (3,765,000 warrants)	30,386
Virgin (2,625,000 warrants)	8,558
	111,611

Share-based payments (Tables)

12 Months Ended Dec. 31, 2021

Share-based payments

Schedule of movements in the number of share options

The movements in the number of EMI share options during the year were as follows:

	December 31, 2021	December 31, 2020
	Number	Number
Outstanding, start of period	16,817	—
Granted during the period	3,147	16,817
Forfeited during the period	(294)	—
Outstanding, end of period	19,670	16,817

Schedule of movements in the weighted average exercise price of share options

The movements in the weighted average exercise price of share options during the year were as follows:

	December 31, 2021	December 31, 2020
	£	£
Outstanding, start of period	143.28	—
Granted during the period	1,178.94	143.28
Forfeited during the period	204.00	—
Outstanding, end of period	308.06	143.28

Schedule of share options outstanding

Details of share options outstanding at the end of the year are as follows:

	31 December 2021	31 December 2020
Weighted average exercise price (£)	308.06	143.28
Number of share options outstanding	19,670	16,817
Expected weighted average remaining vesting period (years)	1.12	1.13

Schedule of fair value of options granted

	December 31, 2021	December 31, 2020
Average share price at date of grant (£)	492.42	40.36
Expected volatility (%)	50.00	50.00
Vesting period in years	4	1
Dividends	—	—
Option life in years	4.25	4.00
Risk-free interest rate (%)	0.28	(0.13)

Derivative financial liabilities (Tables)

12 Months Ended
Dec. 31, 2021

Derivative financial liabilities

Schedule of convertible senior secured notes

	Mudrick £ 000
As at January 1, 2020	—
As at December 31, 2020	—
Issuance of Convertible Senior Secured Notes	141,981
Fair value movements	(26,876)
Foreign exchange movements	(2,306)
As at December 31, 2021	112,799

Financial instruments (Tables)

12 Months Ended Dec. 31, 2021

Financial instruments

Schedule of financial assets at amortized cost

	Carrying value		Fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash at bank	212,660	839	212,660	839
Trade and other receivables	672	810	672	810
	213,332	1,649	213,332	1,649

Schedule of financial liabilities

Financial liabilities at amortized cost:

	Carrying Value		Fair Value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	£ 000	£ 000	£ 000	£ 000
Trade and other payables	45,717	2,128	45,717	2,128
Borrowings	—	6,309	—	6,309
Lease liabilities	1,942	1,021	1,942	1,021
	47,659	9,458	47,659	9,458

25 Financial instruments (continued)

Financial liabilities at fair value through profit or loss:

	Carrying Value		Fair Value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	£ 000	£ 000	£ 000	£ 000
Convertible Senior Secured Notes	112,799	—	112,799	—
Warrant liabilities (Note 21)	10,730	—	10,730	—
	123,529	—	123,529	—

Schedule of estimated fair value of convertible senior secured notes by using binomial lattice framework

	December 31, 2021
Interest rate (%)	9.0
Risk-free rate (%)	1.25
Dividend yield	—
Volatility (%)	52.5
Credit spread (%)	21.8

Financial risk management and impairment of financial assets (Tables)

12 Months Ended

Dec. 31, 2021

Financial risk management and impairment of financial assets

Schedule of liquidity risk

2021	Within 1 year £ 000	Between 2 and 5 years £ 000	After more than 5 years £ 000	Total £ 000
Trade and other payables	40,227	5,975	—	46,202
Lease liabilities	362	1,343	237	1,942
Convertible senior secured notes	—	112,799	—	112,799
	40,589	120,117	237	160,943
2020				
Trade and other payables	2,401	—	—	2,401
Lease liabilities	175	700	397	1,272
Other borrowings	6,309	—	—	6,309
	8,885	700	397	9,982

Related party transactions (Tables)

12 Months Ended Dec. 31, 2021

Disclosure of transactions between related parties [line items]

Schedule of key management compensation

	December 31, 2021	December 31, 2020
	£ 000	£ 000
Current loans and borrowings		
Loans from related parties	—	6,309

Loans from related parties represents a loan from Imagination Industries Ltd, a company wholly owned by Stephen Fitzpatrick. Movements in the year were as follows:

	2021	2020
	£ 000	£ 000
As at January 1	6,309	—
Amounts advanced	2,945	5,600
Interest charged	483	709
Amounts repaid	(737)	—
Conversion to equity	(9,000)	—
As at December 31	—	6,309

During the year loans was issued to Microsoft Corporation and Rocket Internet SE. Movements in the year were as follows:

	2021 £ 000
As at January 1	—
Amounts advanced	25,000
Interest charged	—
Amounts repaid	—
Conversion to equity	(25,000)
As at December 31	—

Key management personnel

Disclosure of transactions between related parties [line items]

Schedule of key management compensation

	2021	2020	2019
	£ 000	£ 000	£ 000
Salaries and other short term employee benefits	244	374	181
Payments to defined contribution pension schemes	14	39	24
Share-based payments	156	92	—
	414	505	205

Significant accounting policies - The capital reorganisation (Details) £ in Thousands	Dec. 16, 2021 GBP (£)	12 Months Ended Dec. 31, 2021 GBP (£) shares	Dec. 16, 2021 $ / shares
Significant accounting policies			
Consideration for each share transferred | shares		1	
Maximum amount of PIPE financing		£ 71,594	
Share listing expense	£ 84,712		
Fair value per share over fair value of net assets acquired | $ / shares			$ 10.68
Gross proceeds from Business Combination	218,303		
Gross proceeds from PIPE financing	71,594		
Gross proceeds from issue of Convertible Senior Secured Notes	£ 141,981		

Significant accounting policies - Basis of consolidation (Details) - VAGL	12 Months Ended
	Dec. 31, 2021
Disclosure of subsidiaries [line items]	
Name of subsidiary	Vertical Aerospace Group Limited (“VAGL”)
Principal place of business of subsidiary	Development and commercialization of eVTOL technologies.
Country of incorporation of subsidiary	Unit 1, Camwal Court, Bristol, United Kingdom BS2 0UW
Proportion of ownership interest and voting rights held	100.00%

Significant accounting policies - Going concern (Details)	12 Months Ended
	Dec. 31, 2021
Significant accounting policies	
Projected funding period of cash and cash equivalents held	12 months

Significant accounting policies - Foreign currency transactions and balances (Details)	12 Months Ended Dec. 31, 2021 £ / $
Foreign exchange rates [abstract]	
Closing rate	0.7420
Average rate	0.7270

Significant accounting policies - Property, plant and equipment (Details)	12 Months Ended Dec. 31, 2021
Computer equipment	
Disclosure of detailed information about property, plant and equipment [line items]	
Estimated useful lives of property, plant and equipment	3 years
Maximum | Leasehold improvements	
Disclosure of detailed information about property, plant and equipment [line items]	
Estimated useful lives of property, plant and equipment	9 years
Minimum | Leasehold improvements	
Disclosure of detailed information about property, plant and equipment [line items]	
Estimated useful lives of property, plant and equipment	5 years

Significant accounting policies - Intangible assets (Details)	12 Months Ended
	Dec. 31, 2021
IT software	
Disclosure of detailed information about intangible assets [line items]	
Expected useful economic life	3 years

Critical accounting judgements and key sources of estimation uncertainty (Details) £ in Thousands	12 Months Ended					
	Jun. 10, 2021 GBP (£) shares	Dec. 31, 2021 GBP (£)	Dec. 31, 2021	Dec. 31, 2021 $ / shares	Dec. 31, 2021 Y	Dec. 31, 2020
Disclosure of terms and conditions of share-based payment arrangement [line items]						
Number of shares exchangeable upon closing of merger | shares	6,125,000					
Expense recognised | £		£ 111,996				
Exercise price | $ / shares				$ 18		
Vesting period in years			4		4	1
Percentage of common shares subject to call option exercisable			50.00%			
Issuance of Class Z shares to American						
Disclosure of terms and conditions of share-based payment arrangement [line items]						
Number of shares exchangeable upon closing of merger | shares	6,125,000					
Expense recognised | £	£ 16,739	£ 16,739				

Operating segments (Details)	12 Months Ended Dec. 31, 2021 segment
Operating segments	
Number of reporting segment	1

Revenue (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Rendering of engineering consultancy services			
Disclosure of disaggregation of revenue from contracts with customers [line items]			
Rendering of engineering consultancy services	£ 132	£ 87	£ 70

Other operating income (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Other operating income			
Government grants	£ 8,829	£ 1,989	
R&D tax credit	2,388	328	£ 399
Other	135		
Other operating income	£ 11,352	£ 2,317	£ 399

Other operating income - Government grants (Details) - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Other operating income		
Government grants receivable	£ 5,415	£ 1,989

Expenses by nature (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Expenses by nature			
Staff costs excluding share-based payment expenses	£ 16,230	£ 8,445	£ 3,642
Share based payment expenses	111,996	96	
Warrant expense (note 21)	111,611		
Legal and financial advisory transaction costs	7,350		
Software costs	1,506	579	191
Depreciation expense	377	279	89
Depreciation on right of use assets - Property	176	140	171
Amortisation expense	387	263	70
Consultancy costs	13,144	745	518
Expense on short term leases	49	64	8
Research and development components	11,378	2,555	2,096
Related party administrative expenses	108	144	144
Marketing expenses	3,918		
Stamp duty	6,669		
Other administrative expenses	3,760	565	922
Total administrative and research and development expenses	288,659	£ 13,875	£ 7,851
Staff costs	12,913		
Hardware and testing costs	£ 24,291		

Expenses by nature - Share based payment expense (Details) - GBP (£) £ in Thousands	Jun. 10, 2021	12 Months Ended Dec. 31, 2021
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Expense from share-based payment transactions		£ 111,996
Capital Reorganization [member]		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Expense from share-based payment transactions		84,712
Issuance of PIPE shares to suppliers and partners		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Expense from share-based payment transactions		10,389
Enterprise Management Initiative [member]		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Expense from share-based payment transactions		156
Issuance of Class Z shares to American		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Expense from share-based payment transactions	£ 16,739	£ 16,739

Expenses by nature - Issuance of Z-Shares to American and Issuance of PIPE shares to suppliers and partners (Details)	Jun. 10, 2021 GBP (£) item shares	Jun. 10, 2021 GBP (£) $ / shares shares	12 Months Ended Dec. 31, 2021 GBP (£)	Dec. 31, 2021 $ / shares
Disclosure of terms and conditions of share-based payment arrangement [line items]				
Percentage of common shares subject to call option exercisable			50.00%	
Fair Value of Other Equity Instruments				
Amount of valuation by using volatility assumption of 50%	£ 19,616,000	£ 19,616,000		
Expense from share-based payment transactions			£ 111,996,000	
Issuance of Class Z shares to American				
Disclosure of terms and conditions of share-based payment arrangement [line items]				
Par value per share | $ / shares				$ 0.00001
Fair Value of Other Equity Instruments				
Probability adjusted valuation	16,739,000	16,739,000		
Expense from share-based payment transactions	£ 16,739,000		16,739,000	
Issuance of Class Z shares to American | Vertical Aerospace Group Ltd				
Disclosure of terms and conditions of share-based payment arrangement [line items]				
Number of shares subscribed	5,804			
Consideration for shares subscribed	£ 0.06	£ 0.06		
Issuance of Class Z shares to American | Business combination does not complete				
Disclosure of terms and conditions of share-based payment arrangement [line items]				
Number of shares retained | shares	5,804	5,804		
Actual share price | $ / shares		£ 9.93		
Percentage of holding	3.96%			
Fair Value of Other Equity Instruments				
Value of Z-Shares as at June 10, 2021	£ 2,558,000	£ 2,558,000		
Fair value of Z-Shares as at June 10, 2021	£ 2,558,000	£ 2,558,000		
Issuance of Class Z shares to American | Business combination completes				
Disclosure of terms and conditions of share-based payment arrangement [line items]				

Actual share price | $ / shares		£ 9.93	
Percentage of Class Z shares exchanged	100.00%		
Number of Class Z Shares exchanged for common shares | shares	6,125,000	6,125,000	
Lock-up period for shares exchanged	4 years		
Percentage of common shares subject to call option exercisable	50.00%		
Exercise price of call option exercisable | $ / shares		£ 18	
Number of tranches for call option exercisable | item	2		
Measurement of Other Equity Instruments			
Risk-free rate	0.75%		
Volatility	75.00%		
Fair Value of Other Equity Instruments			
Value of Z-Shares as at June 10, 2021	£ 30,105,000	£ 30,105,000	
Less valuation of call option	(8,121,000)	(8,121,000)	
Fair value of Z-Shares as at June 10, 2021	£ 21,984,000	£ 21,984,000	
Issuance of PIPE shares to suppliers and partners			
Fair Value of Other Equity Instruments			
Expense from share-based payment transactions			£ 10,389,000

Expenses by nature - Capital reorganization (Details) £ in Thousands	Dec. 16, 2021 $ / shares shares	12 Months Ended Dec. 31, 2021 GBP (£)	Dec. 31, 2020 GBP (£)
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Warrants acquired (15,701,067 warrants at $1.04 per warrant)		£ 10,730	
Accounts payable acquired		(40,227)	£ (2,401)
Market value per ordinary share | $ / shares	$ 10.68		
Expense recognised		111,996	
Private Warrants			
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Expense recognised		1,572	
Capital Reorganization [member]			
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Market value of 9,203,984 ordinary shares ($10.68 per share)		74,265	
Cash acquired		4,728	
Warrants acquired (15,701,067 warrants at $1.04 per warrant)		(11,997)	
Accounts payable acquired		(2,289)	
Add net liabilities acquired		9,558	
Foreign exchange differences		671	
Charge for listing services		83,152	
Number of ordinary shares issued | shares	9,203,984		
Number of warrants issued | shares	15,701,067		
Value per warrant | $ / shares	$ 1.04		
Expense recognised		84,712	
Issuance of PIPE shares to suppliers and partners			
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Expense recognised		£ 10,389	

Finance income (costs) (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Finance Income Cost [Line Items]			
Related party finance costs	£ (483)	£ (709)	
Bad debt write-off	(14)		£ (15)
Fair value losses		18	
Interest expense on leases	(77)	(74)	(46)
Other finance cost	(1)	(6)	(5)
Total finance costs	(575)	(807)	(66)
Fair value gains	32,578		
Other finance income	12		
Total finance income	32,590		
Total finance income/(cost)	32,015	£ (807)	£ (66)
Convertible Senior Secured Notes			
Finance Income Cost [Line Items]			
Fair value gains	26,876		
Warrant liabilities			
Finance Income Cost [Line Items]			
Fair value gains	£ 6,817		

Loss per share - Basic and diluted loss per share (Details) - GBP (£) £ / shares in Units, £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Earnings per share [abstract]			
Net loss for the period	£ (245,224)	£ (12,326)	£ (7,484)
Net loss for the period, diluted	£ (245,224)	£ (12,326)	£ (7,484)
Basic loss per share	£ (1.98)	£ (0.12)	£ (0.07)
Diluted loss per share	£ (1.98)	£ (0.12)	£ (0.07)
Weighted average issued shares, basic	124,130,921	99,904,427	99,904,427
Weighted average issued shares, diluted	124,130,921	99,904,427	99,904,427

Taxation - Current taxation (Details) - GBP (£) £ in Thousands	1 Months Ended	12 Months Ended		
	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Disclosure of temporary difference, unused tax losses and unused tax credits [line items]				
Standard rate of corporation tax	25.00%	19.00%	19.00%	
UNITED KINGDOM				
Disclosure of temporary difference, unused tax losses and unused tax credits [line items]				
UK corporation tax			£ (4)	£ 30

Taxation - Reconciliation (Details) - GBP (£) £ in Thousands	1 Months Ended	12 Months Ended		
	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Taxation				
Loss before tax	£ 50	£ (245,224)	£ (12,322)	£ (7,514)
Corporation tax benefit at standard rate		46,593	2,341	1,428
Decrease in tax benefit from effect of expenses not deductible in determining taxable profit (tax loss)		(92)	(135)	
Decrease in tax benefit from tax losses for which no deferred tax asset was recognized		£ (46,501)	(841)	
Decrease in tax benefit arising from group relief tax reconciliation (pre Reorganization)			(1,369)	(1,428)
Deferred tax credit from unrecognised temporary difference from a prior period				30
Total tax (expense)/benefit			£ (4)	£ 30

Taxation - Tax rate (Details)	1 Months Ended	3 Months Ended		12 Months Ended	
	Mar. 31, 2021	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Disclosure of non-adjusting events after reporting period [line items]					
Main rate of UK corporation tax	25.00%			19.00%	19.00%
Change in tax rate announced					
Disclosure of non-adjusting events after reporting period [line items]					
Main rate of UK corporation tax		19.00%	19.00%		

Taxation (Details) - GBP (£)	1 Months Ended	12 Months Ended		
	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Taxation				
Accounting profit	£ 50,000	£ (245,224,000)	£ (12,322,000)	£ (7,514,000)
Unused potential tax losses for which no deferred tax asset is recognized		250,500,000	£ 4,641,000	
Deferred tax assets or liabilities recognized		£ 0		

Property, plant and equipment - Balance (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	£ 1,422	
Balance at the end	1,834	£ 1,422
Leasehold improvements		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	1,162	
Balance at the end	1,156	1,162
Office equipment		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	260	
Balance at the end	678	260
Cost or valuation		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	1,809	1,654
Additions	790	155
Balance at the end	2,599	1,809
Cost or valuation | Leasehold improvements		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	1,368	1,350
Additions	162	18
Balance at the end	1,530	1,368
Cost or valuation | Office equipment		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	441	304
Additions	628	137
Balance at the end	1,069	441
Depreciation		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	(387)	(108)
Charge for year	378	279
Balance at the end	(765)	(387)
Depreciation | Leasehold improvements		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	(206)	(32)
Charge for year	168	174
Balance at the end	(374)	(206)
Depreciation | Office equipment		
Reconciliation of changes in property, plant and equipment [abstract]		
Balance at the beginning	(181)	(76)
Charge for year	210	105

Balance at the end	£ (391)	£ (181)

Right of use assets (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Disclosure of quantitative information about right-of-use assets [line items]			
Balance at the beginning	£ 1,062		
Charge for year	176	£ 140	£ 171
Balance at the end	1,969	1,062	
Property			
Disclosure of quantitative information about right-of-use assets [line items]			
Balance at the beginning	1,062		
Balance at the end	1,969	1,062	
Property | Cost or valuation			
Disclosure of quantitative information about right-of-use assets [line items]			
Balance at the beginning	1,445		
Additions	1,084		
Balance at the end	2,529	1,445	
Property | Depreciation			
Disclosure of quantitative information about right-of-use assets [line items]			
Balance at the beginning	(383)	(243)	
Charge for year	(177)	(140)	
Balance at the end	£ (560)	£ (383)	£ (243)

Intangible assets (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	£ 2,030	
Balance at the end	4,208	£ 2,030
Goodwill		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	1,473	
Balance at the end	1,473	1,473
IT software		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	557	
Balance at the end	2,735	557
Cost or valuation		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	2,388	2,155
Additions	2,565	233
Balance at the end	4,953	2,388
Cost or valuation | Goodwill		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	1,473	1,473
Balance at the end	1,473	1,473
Cost or valuation | IT software		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	915	682
Additions	2,565	233
Balance at the end	3,480	915
Amortisation		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	(358)	(95)
Amortisation charge	387	263
Balance at the end	(745)	(358)
Amortisation | IT software		
Reconciliation of changes in intangible assets and goodwill [abstract]		
Balance at the beginning	(358)	(95)
Amortisation charge	387	263
Balance at the end	£ (745)	£ (358)

Intangible assets - Amortisation (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Administrative expenses.		
Disclosure of reconciliation of changes in intangible assets and goodwill [line items]		
Amortisation charge	£ 387	£ 263

Intangible assets - CGU (Details)	12 Months Ended Dec. 31, 2021 segment
Intangible assets	
Number of cash generating unit	1

Business disposal (Details) - GBP (£) £ in Thousands	Oct. 31, 2021	Dec. 31, 2021
Vertical Advanced Engineering Ltd		
Disclosure of detailed information about business combination [line items]		
Net assets		£ 102
Vertical Advanced Engineering Ltd		
Disclosure of detailed information about business combination [line items]		
Percentage of ownership interest disposed	100.00%	

Trade and other receivables (Details) - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Trade and other receivables		
Government grants receivable	£ 5,415	£ 1,989
Prepayments	6,571	733
Other receivables	672	810
Total trade and other current receivables	12,658	3,532
R&D tax credit receivable	2,716	328
VAT receivables	2,595	6
Prepaid insurance	£ 3,805	£ 0

Share capital and other reserves - Allotted, called up and fully paid shares (Details)	Dec. 31, 2021 $ / shares	Dec. 31, 2021 GBP (£) £ / shares shares	Dec. 31, 2020 GBP (£) shares
Disclosure of classes of share capital [line items]			
Number of shares allotted, called up and fully paid shares		209,135,382	104,832
Issued capital | £		£ 15,804	£ 1.05
Number of shares authorised for future allotment		90,449,562	
Vertical Aerospace Group Ltd			
Disclosure of classes of share capital [line items]			
Percentage of shares acquired		100.00%	
Number of shares acquired		146,749	
Number of shares issued		177,762,797	
Number of warrants issued		12,768,600	
A ordinary			
Disclosure of classes of share capital [line items]			
Par value per share | £ / shares		£ 0.00001	
Number of shares allotted, called up and fully paid shares			100,000
Issued capital | £			£ 1.00
B ordinary			
Disclosure of classes of share capital [line items]			
Par value per share | £ / shares		£ 0.00001	
Number of shares allotted, called up and fully paid shares			4,832
Issued capital | £			£ 0.05
Ordinary Share			
Disclosure of classes of share capital [line items]			
Par value per share | $ / shares	$ 0.0001		
Number of shares allotted, called up and fully paid shares		209,135,382	
Issued capital | £		£ 15,804	

Share capital and other reserves - Movements in reserves (Details) £ in Thousands	12 Months Ended Dec. 31, 2021 GBP (£)
Balance at the beginning	£ (938)
Cumulative translation differences	(85)
Issuance of warrants to American, Avolon and Virgin (note 21)	111,611
Share acquisition	50,740
Capital reorganization (note 7)	74,265
Balance at the end	61,561
Share premium.	
Balance at the beginning	0
Issuance of warrants to American, Avolon and Virgin (note 21)	103,053
Capital reorganization (note 7)	74,265
PIPE investment	71,036
Balance at the end	248,354
Other reserves	
Balance at the beginning	4,117
Issuance of Z-Shares to American (note 7)	16,739
Debt to equity conversion of related party loan (note 27)	9,000
Debt to equity conversion of Microsoft and Rocket loan	25,000
Transfer of intergroup share capital	(15)
Cumulative translation differences	(85)
Issuance of warrants to American, Avolon and Virgin (note 21)	8,558
Share acquisition	50,724
Balance at the end	£ 63,314

Share capital and other reserves - Additional information (Details) £ in Thousands	Dec. 16, 2021 $ / shares	12 Months Ended Dec. 31, 2021 $ / shares shares	Dec. 31, 2021 GBP (£) shares
Disclosure of offsetting of financial assets [line items]			
Percentage of common shares subject to call option exercisable			50.00%
Market value per ordinary share | $ / shares	$ 10.68		
Stephen Fitzpatrick			
Disclosure of offsetting of financial assets [line items]			
Convertible loans issued | £			£ 9,000
Vertical Aerospace Group Ltd			
Disclosure of offsetting of financial assets [line items]			
Number of shares held			35,000,000
Number of shares issued		177,762,797	
PIPE Investors			
Disclosure of offsetting of financial assets [line items]			
Number of shares issued during the period			9,400,000
Par value per ordinary share issued | $ / shares		$ 0.0001	
Share price | $ / shares		$ 10	
Share premium received | £			£ 71,036
Shares outstanding		9,203,984	
PIPE Investors | Vertical Aerospace Group Ltd			
Disclosure of offsetting of financial assets [line items]			
Shares issued		9,203,984	
American | Vertical Aerospace Group Ltd			
Disclosure of offsetting of financial assets [line items]			
Number of shares issued		6,125,000	
American | Vertical Aerospace Group Ltd			
Disclosure of offsetting of financial assets [line items]			
Number of shares held			5,804
Microsoft and Rocket			
Disclosure of offsetting of financial assets [line items]			
Convertible loans issued | £			£ 25,000

Loans from related parties - Current loans and borrowings (Details) £ in Thousands	Dec. 31, 2020 GBP (£)
Loans from related parties	
Amount due to related party	£ 6,309

Loans from related parties - Loan from Imagination Industries Ltd (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Disclosure of transactions between related parties [line items]		
As at January 1	£ 6,309	
Amounts advanced	2,945	£ 5,600
Interest charged	483	709
Amounts repaid	(737)	
Conversion to equity	£ (9,000)	
As at December 31		£ 6,309
Companies owned by key management personnel | Imagination Industries Ltd		
Disclosure of transactions between related parties [line items]		
Interest rate	30.00%	30.00%
Microsoft and Rocket		
Disclosure of transactions between related parties [line items]		
Amounts advanced	£ 25,000	
Conversion to equity	£ (25,000)	

Leases - Balance sheet shows the following amounts relating to lease liabilities (Details) - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Lease liabilities [abstract]			
Long term lease liabilities	£ 1,580	£ 846	
Current lease liabilities	362	175	
Total lease liabilities	£ 1,942	£ 1,021	£ 1,166

Leases - Lease liabilities maturity analysis (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Disclosure of maturity analysis of operating lease payments [line items]		
Total lease liabilities (undiscounted)	£ 2,340	£ 1,272
Less than one year		
Disclosure of maturity analysis of operating lease payments [line items]		
Total lease liabilities (undiscounted)	425	175
Within 2 - 5 years		
Disclosure of maturity analysis of operating lease payments [line items]		
Total lease liabilities (undiscounted)	1,653	700
More than 5 years		
Disclosure of maturity analysis of operating lease payments [line items]		
Total lease liabilities (undiscounted)	£ 262	£ 397

Leases - Cash outflows related to leases (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Leases			
Right of use assets	£ 240	£ 220	£ 130
Short term leases	49	64	
Total cash outflow	£ 289	£ 284	

Leases - Reconciliation of the finance lease creditors (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Disclosure of quantitative information about right-of-use assets [line items]		
Beginning balance	£ 1,021	£ 1,166
Additions	1,084	
Interest element of payments to finance lease creditors	(78)	(74)
Principal element of payments to finance lease creditors	(162)	(146)
Interest expense on leases	77	74
Ending balance	£ 1,942	£ 1,021
Bristol property		
Disclosure of quantitative information about right-of-use assets [line items]		
Lease agreement term	5 years	

Provisions (Details) - Dilapidation Provision - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Disclosure of other provisions [line items]		
As at January 1	£ 88	£ 83
Unwinding of discount	7	5
As at December 31	£ 95	£ 88

Trade and other payables (Details) - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Disclosure of information about terms and conditions of hedging instruments and how they affect future cash flows [line items]		
Outstanding defined contribution pension costs	£ 9	£ 70
Social security and other taxes includes stamp duty payable	6,669	
Less than one year		
Disclosure of information about terms and conditions of hedging instruments and how they affect future cash flows [line items]		
Trade payables	6,715	846
Accrued expenses	26,358	1,226
Amounts due to related parties		56
Social security and other taxes	7,145	203
Outstanding defined contribution pension costs	9	70
Total trade and other payables	40,227	£ 2,401
Financial and capital markets advisory fees	9,666	
After more than one year		
Disclosure of information about terms and conditions of hedging instruments and how they affect future cash flows [line items]		
Deferred transaction fee payable	£ 5,975	

Warrants - warrants were issued but not exercised (Details)	1 Months Ended Dec. 31, 2021 shares
Disclosure of fair value measurement of liabilities [line items]	
Number of warrants issued but not exercised	21,265,146
Public Warrants	
Disclosure of fair value measurement of liabilities [line items]	
Number of warrants issued but not exercised	15,265,146
Mudrick Warrants	
Disclosure of fair value measurement of liabilities [line items]	
Number of warrants issued but not exercised	4,000,000
MWC Options	
Disclosure of fair value measurement of liabilities [line items]	
Number of warrants issued but not exercised	2,000,000

Warrants - change in fair value (Details) £ in Thousands	12 Months Ended Dec. 31, 2021 GBP (£)
Warrants	
Additions	£ 17,801
Change in fair value recognised in profit or loss	(6,817)
Foreign exchange movements	(254)
December 31, 2021	£ 10,730

Warrants - Additional information (Details) £ in Thousands	12 Months Ended Dec. 31, 2021 GBP (£) shares	Dec. 31, 2021 $ / shares	Jun. 10, 2021 GBP (£)
Disclosure of fair value measurement of liabilities [line items]			
IFRS Valuation Amount Using Volatility Assumption Of 50 Percent | £			£ 19,616
Public Warrants			
Disclosure of fair value measurement of liabilities [line items]			
Warrants expiration period	5 years		
Redemption price		$ 0.01	
Trigger price		18.00	
Threshold trading days for redemption of warrants	20		
Threshold consecutive trading days for redemption of warrants	30		
Number of shares entitled per public warrant | shares	1		
Exercise price of warrants		$ 11.50	
Virgin, American And Avolon Warrants			
Disclosure of fair value measurement of liabilities [line items]			
IFRS Valuation Amount Using Volatility Assumption Of 50 Percent | £	£ 11,907		

Warrants - Warrants issued to Virgin, American and American (Details) £ in Thousands	12 Months Ended		
	Dec. 31, 2021 GBP (£) shares	Dec. 31, 2021 GBP (£) $ / shares shares	Oct. 29, 2021 shares
Disclosure of fair value measurement of liabilities [line items]			
Value of warrants outstanding	£ 8,558	£ 8,558	
Warrant expense	£ 111,611		
Virgin Atlantic Warrant Instrument			
Disclosure of fair value measurement of liabilities [line items]			
IFRS Class Of Warrant Or Right, Number Of Securities Called By Warrants Or Rights | shares	2,625,000	2,625,000	2,625,000
Volatility	75.00%		
Warrant expense	£ 8,558		
American Warrant Instrument			
Disclosure of fair value measurement of liabilities [line items]			
IFRS Class Of Warrant Or Right, Number Of Securities Called By Warrants Or Rights | shares	2,625,000	2,625,000	
Warrant expense	£ 21,186		
Avolon Warrant Instrument			
Disclosure of fair value measurement of liabilities [line items]			
IFRS Class Of Warrant Or Right, Number Of Securities Called By Warrants Or Rights | shares	6,378,600	6,378,600	
Warrant expense	£ 51,481		
Avolon Commercial Instrument			
Disclosure of fair value measurement of liabilities [line items]			
IFRS Class Of Warrant Or Right, Number Of Securities Called By Warrants Or Rights | shares	3,765,000	3,765,000	
Number Of Aircraft Placed With Prime Carrier	100		
Warrant expense	£ 30,386		
Virgin, American And Avolon Warrants			
Disclosure of fair value measurement of liabilities [line items]			
Spot | $ / shares		£ 10.68	
Strike | $ / shares		£ 10.00	
Risk-free rate	0.05%		
Maximum term to exercise	4 years		
Volatility	50.00%		

Pension and other schemes (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Pension and other schemes		
Pension cost, contributions payable	£ 471	£ 271
Outstanding defined contribution pension costs	£ 9	£ 70

Share-based payments - Movements in the number of share options (Details) - Options	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Share-based payments		
Outstanding, start of period	16,817	
Granted during the period	3,147	16,817
Forfeited during the period	(294)	
Outstanding, end of period	19,670	16,817

Share-based payments - Movements in the weighted average exercise price of share options (Details) - £ / shares	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Share-based payments		
Outstanding, start of period	£ 143.28	
Granted during the period	1,178.94	£ 143.28
Forfeited during the period	204.00	
Outstanding, end of period	£ 308.06	£ 143.28

Share-based payments - Share options outstanding (Details)	12 Months Ended	
	Dec. 31, 2021 Options £ / shares	Dec. 31, 2020 Options £ / shares
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Weighted average exercise price	£ 308.06	£ 143.28
Number of share options outstanding | Options	19,670	16,817
Expected weighted average remaining vesting period (years)	1 year 1 month 13 days	1 year 1 month 17 days
Number of options exercisable | Options	7,715	7,635
Maximum		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Exercise prices	£ 1,298.49	
Minimum		
Disclosure of terms and conditions of share-based payment arrangement [line items]		
Exercise prices	£ 38.22	

Share-based payments - Fair value of options granted (Details)	12 Months Ended			
	Dec. 31, 2021 GBP (£) Y	Dec. 31, 2021 GBP (£) £ / shares	Dec. 31, 2021 GBP (£)	Dec. 31, 2020 GBP (£) £ / shares
Share-based payments				
Weighted average fair value per option of options granted | £	£ 31.97	£ 31.97	£ 31.97	£ 6.70
Average share price at date of grant | £ / shares		£ 492.42		£ 40.36
Expected volatility (%)			50.00%	50.00%
Vesting period in years	4		4	1
Option life in years			4.25	4.00
Risk-free interest rate (%)			0.28%	(0.13%)

Share-based payments - Share based payments charge (Details) - GBP (£) £ in Thousands	12 Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Share-based payments		
Charge recognized for equity settled share based payment transactions	£ 156	£ 96

Share-based payments - Additional information (Details)	1 Months Ended	12 Months Ended	
	Dec. 31, 2021 shares	Dec. 31, 2021 Options shares	Dec. 31, 2020 Options
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Number of warrants issued but not exercised | shares	21,265,146		
Number of share options granted in share-based payment arrangement | Options		3,147	16,817
Marcus Waley Cohen			
Disclosure of terms and conditions of share-based payment arrangement [line items]			
Number of warrants issued but not exercised | shares		2,000,000	
Number of share options granted in share-based payment arrangement | Options		2,000,000	

Derivative financial liabilities - Convertible Senior Secured Notes (Details) £ in Thousands	12 Months Ended Dec. 31, 2021 GBP (£)
Disclosure of financial liabilities [line items]	
Balance at ending	£ 112,799
Mudrick	
Disclosure of financial liabilities [line items]	
Balance at beginning	0
Issuance of Convertible Senior Secured Notes	141,981
Fair value movements	(26,876)
Foreign exchange movements	(2,306)
Balance at ending	£ 112,799

Derivative financial liabilities - Additional Information (Details) - 12 months ended Dec. 31, 2021 £ in Thousands, $ in Thousands	GBP (£) shares	USD ($) shares	USD ($) shares
Disclosure of financial liabilities [line items]			
Aggregate purchase price	£ 166,981		
Limitation on restricted payments for retention guarantors | $		$ 10,000	
Restricted cash	£ 7,420		
Convertible Senior Secured Notes			
Disclosure of financial liabilities [line items]			
Convertible shares | shares	18,181,820	18,181,820	
Conversion ratio per $1000 principal amount | shares	90.9091		90.9091
Additional interest rate	2.00%		2.00%
Convertible Senior Secured Notes | Interest paid in cash			
Disclosure of financial liabilities [line items]			
Interest rate	7.00%		7.00%
Convertible Senior Secured Notes | Interest paid in-kind and semi-annually in arrears			
Disclosure of financial liabilities [line items]			
Interest rate	9.00%		9.00%
Mudrick | Convertible Senior Secured Notes			
Disclosure of financial liabilities [line items]			
Principal amount	£ 151,000		$ 200,000
Aggregate purchase price	145,000	$ 192,000	
Convertible Senior Secured Notes Principal Amount	756		$ 1,000
Microsoft and Rocket			
Disclosure of financial liabilities [line items]			
Aggregate purchase price	£ 25,000		

Financial instruments - Financial assets at amortized cost (Details) - Financial assets at amortized cost - GBP (£)	Dec. 31, 2021	Dec. 31, 2020
Financial assets		
Carrying value	£ 213,332	£ 1,649
Fair value	213,332	1,649
Trade and other receivables.		
Financial assets		
Carrying value	672	810
Fair value	672	810
Cash at bank		
Financial assets		
Carrying value	212,660	839
Fair value	£ 212,660	£ 839

Financial instruments - Financial liabilities at amortized cost (Details) - Financial liabilities at amortized cost - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Financial liabilities		
Carrying Value	£ 47,659	£ 9,458
Fair Value	47,659	9,458
Trade and other payables .		
Financial liabilities		
Carrying Value	45,717	2,128
Fair Value	45,717	2,128
Borrowings		
Financial liabilities		
Carrying Value		6,309
Fair Value		6,309
Lease liabilities.		
Financial liabilities		
Carrying Value	1,942	1,021
Fair Value	£ 1,942	£ 1,021

Financial instruments - Financial liabilities at fair value through profit or loss (Details) - Financial liabilities at fair value through profit and loss £ in Thousands	Dec. 31, 2021 GBP (£)
Disclosure of financial liabilities [line items]	
Carrying Value	£ 123,529
Fair Value	123,529
Convertible Senior Secured Notes	
Disclosure of financial liabilities [line items]	
Carrying Value	112,799
Fair Value	112,799
Warrant liabilities	
Disclosure of financial liabilities [line items]	
Carrying Value	10,730
Fair Value	£ 10,730

Financial instruments - fair value of the convertible senior secured notes (Details) - Financial liabilities at fair value through profit and loss	Dec. 31, 2021
Interest rate	
Disclosure of significant unobservable inputs used in fair value measurement of liabilities [line items]	
Significant unobservable input liabilities	9.0
Risk-free rate	
Disclosure of significant unobservable inputs used in fair value measurement of liabilities [line items]	
Significant unobservable input liabilities	1.25
Dividend yield	
Disclosure of significant unobservable inputs used in fair value measurement of liabilities [line items]	
Significant unobservable input liabilities	0
Volatility	
Disclosure of significant unobservable inputs used in fair value measurement of liabilities [line items]	
Significant unobservable input liabilities	52.5
Credit spread	
Disclosure of significant unobservable inputs used in fair value measurement of liabilities [line items]	
Significant unobservable input liabilities	21.8

Financial instruments - Additional Information (Details) £ in Thousands	12 Months Ended			
	Dec. 16, 2021 GBP (£)	Dec. 31, 2021 $ / shares	Dec. 31, 2021 GBP (£)	Dec. 31, 2020 GBP (£)
Disclosure of financial liabilities [line items]				
Total interest expense for financial liabilities not held at fair value through profit or loss			£ 747	£ 801
Exercise price | $ / shares		$ 18		
Risk-free interest rate (%)			0.28%	(0.13%)
Expected volatility (%)			50.00%	50.00%
Convertible note and warrants				
Disclosure of financial liabilities [line items]				
Estimated fair value	£ 141,981			
Percentage of discount for face value	4.00%			
Debt discount face amount	£ 151,000			
Fair value of debt issuance price	145,000			
Convertible note				
Disclosure of financial liabilities [line items]				
Fair value of convertible note estimated	£ 141,981		£ 112,799	
Exercise price | $ / shares		$ 6.73		
Risk-free interest rate (%)			1.25%	
Expected volatility (%)			52.50%	
Credit spread	2,179		2,179	
Dividend yield			0.00%	

Financial risk management and impairment of financial assets - Credit risk and impairment (Details) £ in Thousands, $ in Thousands	Dec. 31, 2021 GBP (£)	Dec. 31, 2021 USD ($)	Dec. 31, 2020 GBP (£)
Financial risk management and impairment of financial assets			
Amount included in cash at bank for short term commitment	£ 10,388		
Restricted cash	7,420		
Balances with banks	212,660		£ 839
USD			
Financial risk management and impairment of financial assets			
Balances with banks | $		$ 145,098	
Credit risk			
Financial risk management and impairment of financial assets			
Maximum exposure to credit risk	672		2,799
Allowance account for credit losses of financial assets	£ 0		£ 0

Financial risk management and impairment of financial assets - Liquidity risk (Details) - GBP (£) £ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Financial risk management and impairment of financial assets Financial obligations Less than one year	£ 160,943	£ 9,982
Financial risk management and impairment of financial assets Financial obligations Between 2 and 5 years	40,589	8,885
Financial risk management and impairment of financial assets Financial obligations More than 5 years	120,117	700
Financial risk management and impairment of financial assets Financial obligations Trade and other payables .	237	397
Financial risk management and impairment of financial assets Financial obligations Trade and other payables . | Less than one year	46,202	2,401
Financial risk management and impairment of financial assets Financial obligations Trade and other payables . | Between 2 and 5 years	40,227	2,401
Financial risk management and impairment of financial assets Financial obligations Lease liabilities.	5,975	
Financial risk management and impairment of financial assets Financial obligations Lease liabilities. | Less than one year	1,942	1,272
Financial risk management and impairment of financial assets Financial obligations Lease liabilities. | Between 2 and 5 years	362	175
Financial risk management and impairment of financial assets Financial obligations Lease liabilities. | More than 5 years	1,343	700
Financial risk management and impairment of financial assets Financial obligations Convertible Senior Secured Notes	237	397
Financial risk management and impairment of financial assets Financial obligations Convertible Senior Secured Notes | Between 2 and 5 years	112,799	
Financial risk management and impairment of financial assets Financial obligations Other borrowings	£ 112,799	

Financial risk management and impairment of financial assets	
Financial obligations	6,309
Other borrowings | Less than one year	
Financial risk management and impairment of financial assets	
Financial obligations	£ 6,309

Related party transactions - Key management personnel (Details)	12 Months Ended Dec. 31, 2020 item
Related party transactions	
Number of key management personnel	3

Related party transactions - Key management compensation (Details) - GBP (£) £ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Related party transactions			
Salaries and other short term employee benefits	£ 244	£ 374	£ 181
Payments to defined contribution pension schemes	14	39	24
Share-based payments	156	92	
Key management compensation	£ 414	£ 505	£ 205

Related party transactions - Summary of transactions with other related parties (Details) £ in Thousands, $ in Millions	1 Months Ended	12 Months Ended		
	Dec. 31, 2021 GBP (£) shares	Dec. 31, 2021 GBP (£) shares	Dec. 31, 2021 USD ($) shares	Dec. 31, 2020 GBP (£)
Related party transactions				
Loan from related party		£ 2,945		£ 5,600
Amount due to related party				6,309
Repayments of related party loan		737		
Expense from share-based payment transactions		111,996		
Number of warrants issued but not exercised | shares	21,265,146			
Imagination Industries Ltd				
Related party transactions				
Loan from related party		£ 2,945		£ 5,600
Interest rate	30.00%	30.00%		30.00%
Interest charge		£ 483		£ 709
Amount due to related party	£ 0	0		6
Repayments of related party loan		737		0
Imagination Industries Incubator Ltd				
Related party transactions				
Management fees to related party		108		144
Amount due to related party	£ 0	0		£ 72
Vertical Advanced Engineering Ltd				
Related party transactions				
Services charged to related parties		65		
Marcus Waley Cohen				
Related party transactions				
Expense from share-based payment transactions		£ 1,572		
Number of warrants issued but not exercised | shares		2,000,000	2,000,000	
Stephen Fitzpatrick				
Related party transactions				
Loan from related party		£ 3,779	$ 5	
Conversion to equity		£ 9,000		
Number of shares issued in exchange of PIPE financing | shares		500,000	500,000	