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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 25, 2018

GLOBAL EAGLE ENTERTAINMENT INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35176
(Commission
File Number)

27-4757800
(IRS Employer
Identification No.)

6100 Center Drive, Suite 1020, Los Angeles, California 90045
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 310-437-6000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

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

(e)

Amended and Restated 2017 Omnibus Long-Term Incentive Plan

On June 25, 2018, Global Eagle Entertainment Inc. (“we” or the “Company”) held our 2018 annual stockholders’ meeting (the “Annual Meeting”). At our Annual Meeting, our stockholders approved an amendment and restatement of our 2017 Omnibus Long-Term Incentive Plan (as so amended and restated, the “Amended and Restated 2017 Omnibus Plan”). The Amended and Restated 2017 Omnibus Plan increases the number of shares of our common stock authorized for issuance under our previously-in-effect 2017 Omnibus Long-Term Incentive Plan by 2,000,000.

We have described the Amended and Restated 2017 Omnibus Plan under the heading “Proposal 2—Approve an Amended and Restated 2017 Omnibus Long-Term Incentive Plan” in Amendment No. 1 to our definitive proxy statement on Schedule 14A filed with the U.S. Securities and Exchange Commission on May 4, 2018 (the “Proxy Statement”). We incorporate that description herein by reference, and we have also included it as Exhibit 99.1 hereto. We qualify our description herein in its entirety by reference to the Amended and Restated 2017 Omnibus Plan, which we have included as Exhibit 10.1 hereto and also incorporate herein by reference.

Equity Awards to Named Executive Officers

On June 25, 2018, the Compensation Committee of our Board of Directors (the “Board”) granted awards of time-vesting restricted stock units (“RSUs”), performance-vesting restricted stock units (“PSUs”) and stock options (“Stock Options”) to Jeff Leddy, Josh Marks, Paul Rainey, Walé Adepoju and Stephen Ballas (each, a “Named Executive Officer”) under the Amended and Restated 2017 Omnibus Plan. We have sized these awards as multi-year grants and intend them to replace our traditional annual refresher equity program. We describe each of these instruments below.

RSUs

Except in the case of Mr. Leddy, the RSUs generally vest as follows: (i) 50% of the RSUs will vest on March 27, 2020, (ii) 25% of the RSUs will vest on March 27, 2021 and (iii) 25% of the RSUs will vest on March 27, 2022, subject to the Named Executive Officer’s continuous service through each applicable vesting date.

The RSUs granted to Mr. Leddy generally vest with respect to 25% of the RSUs on each of March 27, 2019, March 27, 2020, March 27, 2021 and March 27, 2022, subject to Mr. Leddy’s continuous service as either an employee of the Company or a member of the Company’s Board through each applicable vesting date.

The Named Executive Officers received the number of RSUs set forth in the table below.

PSUs

The PSUs are subject to both time-based and performance-based vesting conditions, and except in the case of Mr. Leddy, generally vest as follows: (i) 50% of the PSUs will vest on March 27, 2020, (ii) 25% of the PSUs will vest on March 27, 2021 and (iii) 25% of the PSUs will vest on March 27, 2022, subject to the Named Executive Officer’s continuous service through each vesting date, and provided that the Company’s volume-weighted average price per share of common stock (“VWAP”) equals or exceeds \$4.00 for 45 consecutive trading days at any time on or prior to June 25, 2023.

The PSUs granted to Mr. Leddy generally vest with respect to 25% of the PSUs on each of March 27, 2019, March 27, 2020, March 27, 2021 and March 27, 2022, subject to Mr. Leddy’s continuous service as either an employee of the Company or a member of the Company’s Board through each applicable vesting date, and provided that the Company’s VWAP equals or exceeds \$4.00 for 45 consecutive trading days at any time on or prior to June 25, 2023.

The Named Executive Officers received the number of PSUs set forth in the table below.

Stock Options

The Stock Options represent the right of the Named Executive Officer to receive a cash payment on the date of exercise equal to the value of a share of our common stock on the date of exercise less the exercise price, *multiplied* by the number of shares for which the Stock Options are being exercised. We have however reserved the right to later settle all or a portion of the Stock Options in shares of our common stock as opposed to cash.

The Stock Options were granted in two tranches, which we refer to as the “\$4 Goal Stock Options” and the “\$8 Goal Stock Options.”

- *\$4 Goal Stock Options.* The \$4 Goal Stock Options have a five-year term, are subject to both time-based and performance-based vesting conditions and, except in the case of Mr. Leddy, generally vest and become exercisable as follows: (i) 50% of the Stock Options will vest on March 27, 2020, (ii) 25% of the Stock Options will vest on March 27, 2021 and (iii) 25% of the Stock Options will vest on March 27, 2022, subject to the Named Executive Officer’s continuous service through each applicable vesting date, and provided that the Company’s VWAP equals or exceeds \$4.00 for 45 consecutive trading days at any time on or prior June 25, 2023. The \$4 Goal Stock Options granted to Mr. Leddy generally vest and become exercisable as follows: (i) 50% of the Stock Options were vested at grant on June 25, 2018, (ii) 25% of the Stock Options will vest on March 27, 2019 and (iii) 25% of the Stock Options will vest on March 27, 2020, subject to Mr. Leddy’s continuous service as either an employee of the Company or a member of the Company’s Board through each applicable vesting date, and provided that the Company’s VWAP equals or exceeds \$4.00 for 45 consecutive trading days at any time on or prior to June 25, 2023.
- *\$8 Goal Stock Options.* The \$8 Goal Stock Options have a seven-year term, are subject to both time-based and performance-based vesting conditions and, except in the case of Mr. Leddy, generally vest and become exercisable as follows: (i) 50% of the Stock Options will vest on March 27, 2020 and (ii) 50% of the Tranche 3 Stock Options will vest on March 27, 2021, subject to the Named Executive Officer’s continuous service through each applicable vesting date, and provided that the Company’s VWAP equals or exceeds \$8.00 for 45 consecutive trading days at any time on or prior to June 25, 2025. The \$8 Goal Stock Options granted to Mr. Leddy generally vest and become exercisable as follows: (i) 50% of the Stock Options were vested at grant on June 25, 2018, (ii) 25% of the Stock Options will vest on March 27, 2019 and (iii) 25% of the Tranche 3 Stock Options will vest on March 27, 2020, subject to Mr. Leddy’s continuous service as either an employee of the Company or a member of the Company’s Board through each applicable vesting date, and provided that the Company’s VWAP equals or exceeds \$8.00 for 45 consecutive trading days at any time on or prior to June 25, 2025.
- *Exercise Price.* The exercise price for all of the Stock Options is equal to \$2.65 per share, which was our Nasdaq closing price on the grant date.

Messrs. Leddy, Marks, Rainey, Adepoju and Ballas received the number of \$4 Goal Stock Options and \$8 Goal Stock Options set forth in the table below.

<u>Named Executive Officer</u>	<u># of RSUs</u>	<u># of PSUs</u>	<u># of \$4 Goal Stock Options</u>	<u># of \$8 Goal Stock Options</u>
Jeff Leddy <i>Executive Chairman</i>	333,333	166,667	219,902	439,803
Josh Marks <i>Chief Executive Officer</i>	700,000	350,000	461,794	923,587
Paul Rainey <i>EVP, Chief Financial Officer</i>	183,333	91,667	120,946	241,892
Walé Adepoju <i>EVP, Chief Strategy Officer</i>	133,333	66,667	87,961	175,921
Stephen Ballas <i>EVP, General Counsel</i>	133,333	66,667	87,961	175,921

Item 5.07. Submission of Matters to a Vote of Security Holders.

(a) As noted above, we held our Annual Meeting on June 25, 2018.

(b) We set forth below a summary of the final voting results for the proposals that our stockholders considered and voted on at the Annual Meeting.

1. *Elect Stephen Hasker, Jeff Leddy and Josh Marks as Class I members of our Board of Directors*

Our stockholders elected each of the following as a Class I director of our Board, to serve for a three-year term expiring at our annual stockholders’ meeting in 2021, or until his respective successor is duly elected and qualified. The vote tally was as follows:

<u>Nominee</u>	<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
Stephen Hasker	60,653,362	8,595,564	167,107	11,511,704
Jeff Leddy	68,440,910	808,399	166,724	11,511,704
Josh Marks	69,146,857	249,730	19,446	11,511,704

2. *Approve an Amended and Restated 2017 Omnibus Long-Term Incentive Plan to increase the number of shares available for grant thereunder by two million shares*

Our stockholders voted to approve the Amended and Restated 2017 Omnibus Plan, as described under Item 5.02 to this Current Report on Form 8-K. The vote tally was as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
66,408,072	2,846,179	161,782	11,511,704

3. *Approve (on an Advisory Basis) the Compensation of Our Named Executive Officers for 2017*

Our stockholders voted to approve (on an advisory basis) the compensation of our Named Executive Officers for 2017. The vote tally was as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
64,966,172	4,280,880	168,981	11,511,704

4. *Ratify (on an advisory basis) the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018*

Our stockholders voted to ratify (on an advisory basis) the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. The vote tally was as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
78,795,389	1,989,013	143,335	None

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan.
99.1	The section entitled "Proposal 2—Approve an Amended and Restated 2017 Omnibus Long-Term Incentive Plan" in Amendment No. 1 to the Global Eagle Entertainment Inc. Definitive Proxy Statement on Schedule 14A (incorporated by reference to Amendment No. 1 to the Global Eagle Entertainment Inc. Definitive Proxy Statement on Schedule 14A (File No. 001-35176) filed on May 4, 2018).

SIGNATURE

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

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ Paul Rainey

Name: Paul Rainey

Title: Chief Financial Officer

Dated: June 29, 2018

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN

Approved by the Compensation Committee on September 18, 2017
Adopted by the Board of Directors on September 19, 2017
Amended by the Compensation Committee on April 13, 2018
Amendment and Restatement Approved by Stockholders on June 25, 2018

ARTICLE I
PURPOSES

Global Eagle Entertainment Inc. (the “Company”) has adopted this Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as may be amended from time to time, the “Plan”) for the following purposes: (i) to promote the growth and success of the Company by linking a significant portion of Participant compensation to the increase in value of the Company’s common stock, par value \$0.0001 per share; (ii) to attract and retain high-quality, experienced executive officers, employees, Directors and Consultants by offering a competitive incentive compensation program; (iii) to reward innovation and outstanding performance as important contributing factors to the Company’s growth and progress; (iv) to align the interests of executive officers, employees, Directors and Consultants with those of the Company’s stockholders by reinforcing the relationship between Participant rewards and stockholder gains obtained through the achievement by Plan Participants of short-term objectives and long-term goals; and (v) to encourage executive officers, employees, Directors and Consultants to obtain and maintain an equity interest in the Company.

ARTICLE II
DEFINITIONS

Whenever the following terms are used in the Plan, they shall have the meanings specified below unless the context clearly indicates to the contrary. The singular pronoun shall include the plural where the context so indicates.

Section 2.1 “Adjusted EBITDA” shall have the meaning set forth in Section 9.5.

Section 2.2 “Affiliate” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person where “control” shall have the meaning given such term under Rule 405 of the Securities Act. Notwithstanding the foregoing, PAR Investment Partners L.P. shall not be considered an Affiliate for purposes of Section 2.10.

Section 2.3 “Alternative Award” shall have the meaning set forth in Section 13.1.

Section 2.4 “Applicable Laws” shall mean the requirements relating to the administration of stock option, restricted stock, restricted stock unit and other equity-based compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any other country or jurisdiction where Awards are granted under the Plan.

Section 2.5 "Award" shall mean any Option, Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, SAR, Dividend Equivalent, Cash Incentive Award, or other Stock-Based Award granted to a Participant pursuant to the Plan, including an Award combining two or more types of Awards into a single grant.

Section 2.6 "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing an Award and setting forth the terms and conditions of the Award, including through an electronic medium. The Committee may provide for the use of electronic, internet or other non-paper Award Agreements, and the use of electronic, internet or other non-paper means for the Participant's acceptance of, or actions under, an Award Agreement unless otherwise expressly specified herein. In the event of any inconsistency or conflict between the express terms of the Plan and the express terms of an Award Agreement, the express terms of the Plan shall govern.

Section 2.7 "Base Price" shall have the meaning set forth in Section 2.49.

Section 2.8 "Board" shall mean the Board of Directors of the Company.

Section 2.9 "Cause" shall mean: (a) if the Participant is party to an effective employment, consulting, severance or other similar agreement with the Company, a Subsidiary, or Affiliate, and such term is defined therein, "Cause" shall have the meaning provided in such agreement; and (b) if the applicable Participant is not a party to an effective employment, consulting, severance or other similar agreement or if no definition of "Cause" is set forth in the applicable employment, consulting, severance or other similar agreement, then "Cause" shall mean, as determined by the Committee in its sole discretion, the Participant's (i) willful misconduct or gross negligence in connection with the performance of the Participant's material employment-related duties for the Company or any of its Subsidiaries or Affiliates; (ii) conviction of, or a plea of guilty or *nolo contendere* to, a felony or a crime involving fraud or moral turpitude; (iii) engaging in any business that directly or indirectly competes with the Company or any of its Subsidiaries or Affiliates; or (iv) disclosure of trade secrets, customer lists or confidential information of the Company or any of its Subsidiaries or Affiliates to any unauthorized Person; (v) engaging in willful or serious misconduct that has caused or could reasonably be expected to result in material injury to the Company or any of its Subsidiaries or Affiliates, including, but not limited to by way of damage to the Company's, Subsidiary's, or Affiliate's reputation or public standing or material violation of any Company policy; or (vi) failure to reasonably cooperate with the Company in any internal investigation or administrative, regulatory or judicial proceeding, after notice thereof from the Board or the Committee to the Participant and a reasonable opportunity for the Participant to cure such non-cooperation. The Participant's employment or service shall be deemed to have terminated for Cause if, after the Participant's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause. For purposes of the Plan, no act or failure to act on the Participant's part shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that such action or omission was in the best interests of the Company. Notwithstanding the foregoing, neither the Plan nor this provision is intended to, and shall not be interpreted in a manner that limits or restricts a Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Exchange Act).

Section 2.10 "Change of Control" shall mean the first to occur of any of the following events after the Effective Date, whether such event occurs as a single transaction or as a series of related transactions, unless otherwise provided in an Award Agreement:

(a) The acquisition, directly or indirectly, by any Person, entity or "group" (as used in Section 13(d) of the Exchange Act) (other than (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate, or (iii) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the voting power of the securities eligible to vote for the election of the Board ("Company Voting Securities")) becomes the beneficial owner, directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this Section 2.10(a), the following acquisitions shall not constitute a Change of Control: (w) any acquisition directly from the Company, (x) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate, (y) any acquisition by an underwriter temporarily holding such Company Voting Securities pursuant to an offering of such securities or any acquisition by a pledgee of Company Voting Securities holding such securities as collateral or temporarily holding such securities upon foreclosure of the underlying obligation or (z) any acquisition pursuant to a Reorganization or Sale (each as defined below) that does not constitute a Change of Control for purposes of Section 2.10(b) or (e) below;

(b) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (each of the events referred to in this sentence being hereinafter referred to as a "Reorganization"), as a result of which Persons who were the "beneficial owners" (as such term is defined in Rule

13d-3 under the Exchange Act (or a successor rule thereto)) of Company Voting Securities immediately prior to such Reorganization do not immediately thereafter, beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization (including a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries);

(c) Within any twenty-four (24)-month period, individuals who were directors of the Company on the first days of such period (the "Incumbent Directors") shall cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the first day of such period whose election, or nomination by the Board for election by the Company's stockholders, was approved by a vote of at least a majority of the Incumbent Directors shall be considered as though such individual were an Incumbent Director, but excluding for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (including without limitation any settlement thereof);

(d) The approval by the Company's stockholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Subsidiary or Affiliate or a liquidation as a result of which Persons who were holders of voting securities of the Company immediately prior to such liquidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the entity that holds substantially all of the assets of the Company following such event; or

(e) The consummation of the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more Persons or entities that are not, immediately prior to such sale, transfer or other disposition, Subsidiaries or Affiliates of the Company (a "Sale");

in each case, provided that, as to Awards subject to Section 409A, such event also constitutes a "change in control event" within the meaning of Section 409A. In addition, notwithstanding the foregoing, a "Change of Control" shall not be deemed to occur if the Company files for bankruptcy, liquidation, or reorganization under the United States Bankruptcy Code or as a result of any restructuring that occurs as a result of any such proceeding.

Section 2.11 "Code" shall mean the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the regulations promulgated under such provision.

Section 2.12 "Committee" shall mean the Compensation Committee of the Board, which shall consist of two or more members, each of whom is a "Non-Employee Director" within the meaning of Rule 16b-3, as promulgated under the Exchange Act, and an "outside director" within the meaning of Section 162(m).

Section 2.13 "Common Stock" shall mean the common stock, par value \$0.0001 per share, of the Company and such other stock or securities into which such common stock is hereafter converted or for which such common stock is exchanged.

Section 2.14 "Company" shall have the meaning set forth in Article I.

Section 2.15 "Competitive Activity" shall mean a Participant's material breach of restrictive covenants relating to noncompetition, nonsolicitation (of customers or employees), preservation of confidential information, or other covenants having the same or similar scope, included in an Award Agreement or other agreement to which the Participant and the Company or any of its Subsidiaries or Affiliates is a party.

Section 2.16 "Consultant" shall mean any individual or entity who is engaged by the Company or any of its Subsidiaries or Affiliates to render consulting or advisory services to such entity.

Section 2.17 "Corporate Event" shall mean, as determined by the Committee in its sole discretion, any transaction or event described in Section 4.5(a) or any unusual or infrequently occurring or nonrecurring transaction or event affecting the Company, any Subsidiary or Affiliate of the Company, or the financial statements of the Company or any of its Subsidiaries or Affiliates, or any changes in Applicable Laws, regulations or accounting principles (including, without limitation, a recapitalization of the Company).

Section 2.18 "Covered Transaction" shall have the meaning set forth in Section 13.3.

Section 2.19 "Director" shall mean a member of the Board or a member of the board of directors of any Subsidiary or Affiliate of the Company.

Section 2.20 "Disability" shall mean (x) with respect to an Incentive Stock Option, the meaning given in Code Section 22(e)(3), and (y) for Awards that are subject to Section 409A, "disability" shall have the meaning set forth in Section 409A(a)(2)(c); provided that, with respect to Awards that are not subject to Section 409A, in the case of any Participant who, as of the date of determination, is a party to an effective services, severance, consulting or employment agreement with the Company or any Subsidiary or Affiliate of the Company that employs such individual, "Disability" shall have the meaning, if any, specified in such agreement.

Section 2.21 "Dividend Equivalent" shall mean the right to receive payments, in cash or in Shares, based on dividends paid with respect to Shares.

Section 2.22 "Effective Date" shall have the meaning set forth in Section 14.7.

Section 2.23 "Eligible Representative" for a Participant shall mean such Participant's personal representative or such other person as is empowered under the deceased Participant's will or the then Applicable Laws of descent and distribution to represent the Participant hereunder. If a Participant dies, amounts payable with respect to an Award, if any, due under the Plan upon the Participant's death will be paid to the beneficiary designated by the Participant for the Company's 401(k) plan or, if none, the Participant's spouse, or if the Participant is otherwise unmarried at the time of death, the Participant's Eligible Representative.

Section 2.24 "Employee" shall mean any individual classified as an employee by the Company or one of its Subsidiaries or Affiliates, whether such employee is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan, including any person to whom an offer of employment has been extended (except that any Award granted to such person shall be conditioned on his or her commencement of service). A person shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company or required by law or (b) transfers between locations of the Company or between the Company, any of its Subsidiaries or Affiliates, or any successor to the foregoing. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period, and such Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-Qualified Stock Option on the first day immediately following a three (3)-month period from the date the employment relationship is deemed terminated.

Section 2.25 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act includes any successor provision and the regulations and rules promulgated under such provision.

Section 2.26 “Executive Officer” shall mean each person who is an officer of the Company or any Subsidiary or Affiliate and who is subject to the reporting requirements under Section 16(a) of the Exchange Act.

Section 2.27 “Exercise Price” shall have the meaning set forth in Section 6.3.

Section 2.28 “Fair Market Value” of a Share as of any date of determination means the last sales price on such date on the Nasdaq Stock Market, as reported in The Wall Street Journal, or if no sales of Common Stock occur on the date in question, on the last preceding date on which there was a sale on such market. If the Shares are not listed on the Nasdaq Stock Market, but are traded on a national securities exchange or in another over-the-counter market, the last sales price (or, if there is no last sales price reported, the average of the closing bid and asked prices) for the Shares on the particular date, or on the last preceding date on which there was a sale of Shares on that exchange or market, will be used, unless otherwise specified by the Committee. If the Shares are neither listed on a national securities exchange nor traded in an over-the-counter market, the price determined by the Committee, in its discretion, will be used.

Section 2.29 “FASB” shall have the meaning set forth in Section 4.5(a).

Section 2.30 “FASB ASC Topic 718” shall have the meaning set forth in Section 4.5(a).

Section 2.31 “GAAP” shall have the meaning set forth in Section 9.5.

Section 2.32 “IASB Principles” shall have the meaning set forth in Section 9.5.

Section 2.33 “Incentive Stock Option” shall mean an Option that qualifies under Code Section 422, and is expressly designated as an Incentive Stock Option in the Award Agreement.

Section 2.34 “Non-Qualified Stock Option” shall mean an Option that is not an Incentive Stock Option.

Section 2.35 “Non-U.S. Awards” shall have the meaning set forth in Section 3.5.

Section 2.36 “Option” shall mean an option to purchase Common Stock granted under the Plan at a stated Exercise Price. The term “Option” includes both an Incentive Stock Option and a Non-Qualified Stock Option.

Section 2.37 “Optionee” shall mean a Participant to whom an Option or SAR is granted under the Plan.

Section 2.38 “Participant” shall mean any Service Provider who has been granted an Award pursuant to the Plan.

Section 2.39 “Performance Award” shall mean Performance Shares, Performance Units, and all other Awards that vest (in whole or in part) upon the achievement of specified Performance Goals.

Section 2.40 "Performance Goals" means the objectives established by the Committee for a Performance Period pursuant to Section 9.5 for the purpose of determining the extent to which a Performance Award has been earned or vested.

Section 2.41 "Performance Period" shall mean the period of time selected by the Committee during which performance is measured for the purpose of determining the extent to which a Performance Award has been earned or vested.

Section 2.42 "Performance Share" means an Award granted pursuant to Article IX of the Plan of a contractual right to receive a Share (or the cash equivalent thereof) upon the achievement, in whole or in part, of the applicable Performance Goals.

Section 2.43 "Performance Unit" means a U.S. Dollar-denominated unit (or a unit denominated in the Participant's local currency) granted pursuant to Article IX of the Plan, payable upon the achievement, in whole or in part, of the applicable Performance Goals.

Section 2.44 "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, including any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or any other entity of whatever nature.

Section 2.45 "Plan" shall have the meaning set forth in Article I.

Section 2.46 "Prior Plan" means the Amended and Restated Global Eagle Entertainment Inc. 2013 Equity Incentive Plan.

Section 2.47 "Replacement Awards" shall mean Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any of its Subsidiaries or Affiliates.

Section 2.48 "Restricted Stock" shall mean an Award of Shares granted pursuant to Section 8.1, which is subject to a risk of forfeiture, restrictions on transfer, or both a risk of forfeiture and restrictions on transfer.

Section 2.49 "Restricted Stock Unit" shall mean an Award granted pursuant to Section 8.2, which is a contractual right to receive a number of Shares or an amount of cash equal to the value of that number of Shares corresponding to the number of units granted to a Service Provider without payment, as compensation for services to the Company or its Subsidiaries or Affiliates, which right is subject to performance and/or time-based vesting restrictions.

Section 2.50 "Section 162(m)" shall mean Code Section 162(m).

Section 2.51 "Section 409A" shall mean Code Section 409A.

Section 2.52 "Securities Act" shall mean the Securities Act of 1933, as amended.

Section 2.53 "Service Provider" shall mean an Employee, Consultant, or Director.

Section 2.54 "Share" shall mean a share of Common Stock.

Section 2.55 "Stock Appreciation Right" or "SAR" shall mean the right to receive a payment from the Company in cash and/or Shares equal to the product of (i) the excess, if any, of the Fair Market Value of one Share on the exercise date over a specified price (the "Base Price") fixed by the Committee on the grant date (which specified price shall not be less than the Fair Market Value of one Share on the grant date), multiplied by (ii) a number of Shares stated in the Award Agreement.

Section 2.56 "Stock-Based Award" shall have the meaning set forth in Section 10.1.

Section 2.57 "Subplans" shall have the meaning set forth in Section 3.5.

Section 2.58 "Subsidiary" of any entity shall mean any entity that is directly or indirectly controlled by the Company or any entity in which the Company has at least a 50% equity interest, provided that, to the extent required under Code Section 422 when granting an Incentive Stock Option, Subsidiary shall mean any corporation in an unbroken chain of corporations beginning with such entity if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 2.59 "Termination of employment," "termination of service" and any similar term or terms shall mean, with respect to a Director who is not an Employee of the Company or any of its Subsidiaries or Affiliates, the date upon which such Director ceases to be a member of the Board, with respect to a Consultant who is not an Employee of the Company or any of its Subsidiaries or Affiliates, the date upon which such Consultant ceases to provide consulting or advisory services to the Company or any of its Subsidiaries or Affiliates, and, with respect to an Employee, the date the Participant ceases to be an Employee; provided, that, with respect to any Award subject to Section 409A, such terms shall mean "separation from service," as defined in Section 409A and the rules, regulations and guidance promulgated thereunder.

- (a) A Participant who ceases to be a Non-Employee Director because he or she becomes an employee of the Company or a Subsidiary or Affiliate shall not be considered to have ceased service as a Non-Employee Director with respect to any Award until such Participant's termination of employment with the Company and its Subsidiaries;
- (b) A Participant who ceases to be employed by the Company or a Subsidiary or Affiliate, and immediately thereafter becomes a Non-Employee Director, a non-employee director of a Subsidiary or Affiliate, or a consultant to the Company or any Subsidiary or Affiliate shall not be considered to have terminated employment until such Participant's service as a director of, or consultant to, the Company and its Subsidiaries or Affiliates has ceased; and
- (c) A Participant employed by a Subsidiary or Affiliate will be considered to have terminated employment when such entity ceases to be a Subsidiary or Affiliate.

Section 2.60 "Withholding Taxes" shall mean any federal, state, local or foreign income taxes, withholding taxes or employment taxes required to be withheld under Applicable Law, in an amount not exceeding the maximum individual statutory tax rate in a given jurisdiction, or such other amount permitted by FASB Accounting Standards Update 2016-09, as amended from time to time, without triggering liability classification or another accounting cost or consequence as determined by the Committee.

ARTICLE III **ADMINISTRATION**

Section 3.1 Committee. The Plan shall be administered by the Committee, which, unless otherwise determined by the Board, shall be constituted to comply with Applicable Laws, including, without limitation, Section 16 of the Exchange Act and Section 162(m).

Section 3.2 Powers of the Committee. Subject to the provisions of the Plan, including, but not limited to Sections 4.8 and 4.9, the Committee shall have the authority in its discretion to:

- (a) Determine the type or types of Awards to be granted to each Participant;
- (b) Select the Service Providers to whom Awards may from time to time be granted hereunder;
- (c) Determine all matters and questions related to the termination of service of a Service Provider with respect to any Award granted to him or her hereunder, including, but not by way of limitation of, all questions of whether a particular Service Provider has taken a leave of absence, all questions of whether a leave of absence taken by a particular Service Provider constitutes a termination of service, and all questions of whether a termination of service of a particular Service Provider resulted from discharge for Cause;
- (d) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (e) Determine whether to settle an Award in Shares or the cash equivalent thereof;
- (f) Approve forms of Award Agreement for use under the Plan, which need not be identical for each Service Provider or each Award type;
- (g) Determine the terms and conditions of any Awards granted hereunder (including, without limitation, the Exercise Price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions and any restriction or limitation regarding any Awards or the Common Stock relating thereto) based in each case on such factors as the Committee determines appropriate, in its sole discretion;
- (h) Prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to Subplans established for the purpose of satisfying applicable foreign laws;

(i) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise or purchase price of an Award may be paid in, cash, Common Stock, other Awards, or other property, or an Award may be canceled, forfeited or surrendered;

(j) Modify the terms of any Award, and authorize the exchange or replacement of Awards; provided, however, that (i) no such modification, exchange or substitution shall be to the detriment of a Participant with respect to any Award previously granted without the affected Participant's written consent, (ii) in no event shall the Committee be permitted to, without prior stockholder approval, cancel an Option or SAR in exchange for cash, reduce the Exercise Price of any outstanding Option or grant price of any SAR or exchange or replace an outstanding Option with a new Award or Option with a lower Exercise Price or exchange or replace an outstanding SAR with a new Award or SAR with a lower grant price, except pursuant to Section 4.5 or Article XIII, and (iii) any such modification, exchange or substitution shall not violate Section 409A (it is not an extension of a stock right if the expiration of the Option or SAR is tolled while the Option or SAR is unexercisable because an exercise would violate applicable securities laws, provided that the period during which the Option or SAR may be exercised is not extended more than thirty (30) calendar days after the exercise of the Option or SAR first would no longer violate applicable securities laws);

(k) Construe and interpret the terms of the Plan and Awards granted pursuant to the Plan; and

(l) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

Section 3.3 Delegation by the Committee. The Committee may delegate, subject to such terms or conditions or guidelines as it shall determine, to any officer or group of officers, or Director or group of Directors of the Company or its Subsidiaries any portion of its authority and powers under the Plan with respect to Participants who are not executive officers, as defined by the Securities Exchange Act of 1934, Rule 3b-7, as that definition may be amended from time to time, or Non-Employee Directors; provided, that any delegation to one or more officers of the Company shall be subject to and comply with Section 152 and Section 157(c) of the Delaware General Corporation Law (or successor provisions). In addition, (i) with respect to any Award intended to qualify as "performance-based" compensation under Section 162(m), the Committee shall mean the Compensation Committee of the Board or such other committee or subcommittee of the Board or the Compensation Committee as the Board or the Compensation Committee of the Board shall designate, consisting solely of two or more members, each of whom is an "outside director" within the meaning of Section 162(m) and (ii) with respect to any Award intended to qualify for the exemption contained in Rule 16b-3 promulgated under the Exchange Act, the Committee shall consist solely two or more Non-Employee Directors or, in the alternative, the entire Board.

Section 3.4 Compensation, Professional Assistance, Good Faith Actions. The Committee may receive such compensation for its services hereunder as may be determined by the Board. All expenses and liabilities incurred by the Committee in connection with the administration of the Plan shall be borne by the Company. The Committee, in its sole discretion, may elect to engage the services of attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company and its officers and Directors shall be entitled to rely upon the advice,

opinions, or valuations of any such persons. All actions taken and all interpretations, decisions and determinations made by the Committee, in good faith shall be final and binding upon all Participants, the Company and all other interested persons. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated. The Committee shall not be personally liable for any action, determination, or interpretation made with respect to the Plan or the Awards, and the Committee shall be fully indemnified and protected by the Company with respect to any such action, determination, or interpretation. For the purposes of this Section 3.4, "Committee" shall be deemed to include any person to whom the Committee has delegated its responsibilities in accordance with Section 3.3.

Section 3.5 Participants Based Outside the United States. To conform with the provisions of local laws and regulations, or with local compensation practices and policies, in foreign countries in which the Company or any of its Subsidiaries or Affiliates operate, but subject to the limitations set forth herein regarding the maximum number of shares issuable hereunder and the maximum award to any single Participant, the Committee may (i) modify the terms and conditions of Awards granted to Participants employed outside the United States ("Non-U.S. Awards"), (ii) establish subplans with such modifications as may be necessary or advisable under the circumstances ("Subplans") and (iii) take any action which it deems advisable to obtain, comply with or otherwise reflect any necessary governmental regulatory procedures, exemptions or approvals with respect to the Plan.

(a) The Committee's decision to grant Non-U.S. Awards or to establish Subplans is entirely voluntary, and at the complete discretion of the Committee. The Committee may amend, modify, or terminate any Subplans at any time, and such amendment, modification, or termination may be made without prior notice to the Participants. The Company, Subsidiaries, Affiliates, and members of the Committee shall not incur any liability of any kind to any Participant as a result of any change, amendment, or termination of any Subplan at any time. The benefits and rights provided under any Subplan or by any Non-U.S. Award (x) are wholly discretionary and, although provided by either the Company, a Subsidiary, or Affiliate, do not constitute regular or periodic payments and (y) except as otherwise required under Applicable Laws, are not to be considered part of the Participant's salary or compensation under the Participant's employment with the Participant's local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. If a Subplan is terminated, the Committee may direct the payment of Non-U.S. Awards (or direct the deferral of payments whose amount shall be determined) prior to the dates on which payments would otherwise have been made, and, in the Committee's discretion, such payments may be made in a lump sum or in installments.

(b) If an Award is held by a Participant who is employed or residing in a foreign country and the amount payable or Shares issuable under such Award would be taxable to the Participant under Code Section 457A in the year such Award is no longer subject to a substantial risk of forfeiture, then the amount payable or Shares issuable under such Award shall be paid or issued to the Participant as soon as practicable after such substantial risk of forfeiture lapses (or, for Awards that are not considered nonqualified deferred compensation subject to Section 409A, no later than the end of the short-term deferral period permitted by Code Section 457A) notwithstanding anything in the Plan or the Award Agreement to contrary.

ARTICLE IV
SHARES SUBJECT TO PLAN

Section 4.1 Shares Subject to Plan. Subject to Section 4.5, the aggregate number of Shares that may be issued under the Plan shall be equal to the sum of (i) 8,500,000 Shares, (ii) any Shares authorized and approved for issuance, but not awarded, under the Prior Plan; and (iii) any Shares subject to an Award under the Plan or the Prior Plan that expire without being exercised, or are forfeited, or canceled, without a distribution of Shares to the Participant. No more than Five Hundred Thousand (500,000) Shares may be issued in the form of Incentive Stock Options under the Plan. The Shares issued under the Plan may be authorized but unissued or reacquired Common Stock. No provision of the Plan shall be construed to require the Company to maintain the Shares in certificated form.

Section 4.2 Adjustments to Authorized Share Pool. Upon the grant of an Award, the maximum number of Shares set forth in Section 4.1 shall be reduced by the maximum number of Shares that are issued or may be issued pursuant to such Award. If any such Award or portion thereof is for any reason forfeited, canceled, expired, or otherwise terminated without the issuance of Shares, the Shares subject to such forfeited, canceled, expired or otherwise terminated Award or portion thereof shall again be available for grant under the Plan. Shares that are tendered or withheld from issuance with respect to an Award in satisfaction of any tax withholding or similar obligations and Shares tendered to the Company by the Participant or withheld by the Company in payment of the Exercise Price of an Option or SAR also shall again be available for grant under the Plan. Except to the extent required by Applicable Law, Replacement Awards shall not be counted against Shares available for grant pursuant to the Plan (and shall not be added back under this Section 4.2).

Section 4.3 Individual Award Limitations. Subject to Section 4.1 and Section 4.5, the following individual Award limits shall apply:

- (a) No Participant may be granted more than Three Million (3,000,000) Options or SARs in the aggregate under the Plan in any calendar year.
- (b) No Participant may be granted Awards other than Options or SARs during any calendar year that are intended to comply with the performance-based exception under Code Section 162(m) and are denominated in Shares under which more than Three Million (3,000,000) Shares may be earned for each twelve (12) months in the vesting period or Performance Period. During any calendar year no Participant may be granted Awards that are intended to comply with the performance-based exception under Code Section 162(m) and are denominated in cash under which more than Three Million Dollars (\$3,000,000) may be earned for each twelve (12) months in the Performance Period.

Section 4.4 Limitations on Non-Employee Director Compensation. The aggregate value of cash compensation and the Fair Market Value of Shares subject to Awards that may be paid or granted by the Company during any calendar year to any Non-Employee Director for Board service shall not exceed Four Hundred Thousand U.S. Dollars (\$400,000). For the avoidance of doubt, compensation shall be counted towards this limit for the Board compensation year in which it is earned (and not when it is paid or settled in the event it is deferred).

Section 4.5 Changes in Common Stock; Disposition of Assets and Corporate Events.

(a) In the event of any stock dividend, stock split, spinoff, rights offering, extraordinary dividend, combination or exchange of Shares, recapitalization or other change in the capital structure of the Company constituting an “equity restructuring” within the meaning of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”), the Committee shall make or provide for equitable adjustments in (i) the number and type of shares or other securities covered by outstanding Awards, (ii) the prices specified therein (if applicable), and (iii) the kind of shares covered thereby (including shares of another issuer). The Committee in its sole discretion and in good faith should determine the form of the adjustment required to prevent dilution or enlargement of the rights of Participants and shall, in furtherance thereof, take such other actions with respect to any outstanding Award or the holder or holders thereof, in each case as it determines to be equitable, which may include a cash payment to the Participant equivalent to the value of any dilution of the rights of such Participant. In the event of any merger, consolidation, or any other corporate transaction or event having a similar effect that is not an “equity restructuring” with the meaning of FASB ASC Topic 718, the Committee in its sole discretion may, in addition to the actions permitted to be taken in respect of an equity restructuring, provide in substitution for any or all outstanding Awards under the Plan such alternative consideration as it may in good faith determine to be equitable under the circumstances and may require in connection with such alternative consideration the surrender of all Awards so replaced. After any adjustment made by the Committee pursuant to this Section 4.5, the number of shares subject to each outstanding Award shall be rounded down to the nearest whole number.

(b) Any adjustment of an Award pursuant to this Section 4.5 shall be effected in compliance with Code Sections 422 and 409A to the extent applicable.

Section 4.6 Dividend Equivalents. Dividend Equivalents may be granted to Participants at such time or times as shall be determined by the Committee, provided that: (i) no Dividend Equivalents shall be paid on unvested Awards but may be accumulated and paid once the underlying Award vests; and (ii) no Dividend Equivalents may be paid on Options or SARs. Dividend Equivalents may be granted in tandem with other Awards, in addition to other Awards, or freestanding and unrelated to other Awards. The grant date of any Dividend Equivalents under the Plan will be the date on which the Dividend Equivalent is awarded by the Committee, or such other date permitted by Applicable Laws as the Committee shall determine in its sole discretion. For the avoidance of doubt, Dividend Equivalents with respect to Performance Shares or Performance Units shall not be fully vested until the Performance Shares or Performance Units have been earned. Dividend Equivalents shall be evidenced in writing, whether as part of the Award Agreement governing the terms of the Award, if any, to which such Dividend Equivalent relates, or pursuant to a separate Award Agreement with respect to freestanding Dividend Equivalents, in each case, containing such provisions not inconsistent with the Plan as the Committee shall determine.

Section 4.7 Award Agreement Provisions. The Committee may include such further provisions and limitations in any Award Agreement as it may deem equitable and in the best interests of the Company and its Subsidiaries or Affiliates that are not inconsistent with the terms of the Plan.

Section 4.8 Prohibition Against Repricing. Except to the extent (i) approved in advance by the Company's stockholders if required by, and, if so required, in accordance with, (A) the listing requirements of any principal securities exchange or market on which the Shares are then traded or (B) any other applicable law or regulation or (ii) pursuant to Section 4.5 as a result of any Corporate Event, the Committee shall not have the power or authority to reduce, whether through amendment or otherwise, the Exercise Price of any outstanding Option or Base Price of any outstanding SAR or to grant any new Award, or make any cash payment, in substitution for or upon the cancellation of Options or SARs previously granted.

Section 4.9 Prohibition Against Option Reloads. Except to the extent approved in advance the Company's stockholders if required by, and, if so required, in accordance with, (i) the listing requirements of any principal securities exchange or market on which the Shares are then traded or (ii) any other applicable law or regulation, the Committee shall not have the power or authority to include provisions in an Option Award Agreement that provides for the reload of the Option or SAR upon exercise or settlement.

ARTICLE V

GRANTING OF OPTIONS AND SARs

Section 5.1 Eligibility. The Committee may grant Non-Qualified Stock Options and SARs to Service Providers. Subject to Section 5.2, Incentive Stock Options may only be granted to Employees.

Section 5.2 Qualification of Incentive Stock Options. No Employee may be granted an Incentive Stock Option under the Plan if such Employee, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any then existing Subsidiary of the Company or "parent corporation" (within the meaning of Code Section 424(e)) unless such Incentive Stock Option conforms to the applicable provisions of Code Section 422.

Section 5.3 Granting of Options and SARs to Service Providers.

(a) Options and SARs. The Committee may from time to time:

(i) Select from among the Service Providers (including those to whom Options or SARs have been previously granted under the Plan) such of them as in its opinion should be granted Options and/or SARs;

(ii) Determine the number of Shares to be subject to such Options and/or SARs granted to such Service Provider, and determine whether such Options are to be Incentive Stock Options or Non-Qualified Stock Options; and

(iii) Determine the terms and conditions of such Options and SARs, consistent with the Plan.

(b) SARs may be granted in tandem with Options or may be granted on a freestanding basis, not related to any Option. Unless otherwise determined by the Committee at the grant date or determined thereafter in a manner more favorable to the Participant, SARs granted in tandem with Options shall have substantially similar terms and conditions to such Options to the extent applicable, or may be granted on a freestanding basis, not related to any Option.

(c) Upon the selection of a Service Provider to be granted an Option or SAR under this Section 5.3, the Committee shall issue, or shall instruct an authorized officer to issue, such Option or SAR and may impose such conditions on the grant of such Option or SAR, as it deems appropriate. Subject to Section 14.2 of the Plan, any Incentive Stock Option granted under the Plan may be modified by the Committee, without the consent of the Optionee, even if such modification would result in the disqualification of such Option as an “incentive stock option” under Code Section 422.

Section 5.4 Notification upon Disqualifying Disposition of an Incentive Stock Option. Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing immediately after the date he or she makes a disqualifying disposition of any Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Stock before the later of (a) two (2) years after the grant date of the Incentive Stock Option or (b) one (1) year after the date of exercise of the Incentive Stock Option. The Company may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession, as agent for the applicable Participant, of any Shares acquired pursuant to the exercise of an Incentive Stock Option until the end of the period described in the preceding sentence, subject to complying with any instruction from such Participant as to the sale of such Shares.

ARTICLE VI

TERMS OF OPTIONS AND SARs

Section 6.1 Award Agreement. Each Option and each SAR shall be evidenced by a written Award Agreement, which shall be executed (including by electronic means) by the Optionee and an authorized officer and which shall contain such terms and conditions as the Committee shall determine, consistent with the Plan. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to qualify such Options as “incentive stock options” under Code Section 422. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such non-qualification, such Option or portion thereof shall be regarded as a Non-Qualified Stock Option appropriately granted under the Plan.

Section 6.2 Exercisability and Vesting of Options and SARs.

- (a) Each Option and SAR shall vest and become exercisable according to the terms of the applicable Award Agreement; provided, however, that by a resolution adopted after an Option or SAR is granted the Committee may, on such terms and conditions as it may determine to be appropriate consistent with the Plan, accelerate the time at which such Option or SAR or any portion thereof may be exercised.
- (b) Except as otherwise provided by the Committee or in the applicable Award Agreement, no portion of an Option or SAR which is unexercisable on the date that an Optionee incurs a termination of service as a Service Provider shall thereafter become exercisable.
- (c) The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Stock Options are first exercisable by a Service Provider in any calendar year may not exceed One Hundred Thousand U.S. Dollars (\$100,000) or such other limitation as imposed by Code Section 422(d), or any successor provision. To the extent that Incentive Stock Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Stock Options.
- (d) SARs granted in tandem with an Option shall become vested and exercisable on the same date or dates as the Options with which such SARs are associated vest and become exercisable. SARs that are granted in tandem with an Option may only be exercised upon the surrender of the right to exercise such Option for an equivalent number of Shares, and may be exercised only with respect to the Shares for which the related Option is then exercisable.

Section 6.3 Exercise Price and Base Price. Excluding Replacement Awards, the per Share purchase price of the Shares subject to each Option (the "Exercise Price") and the Base Price of each SAR shall be set by the Committee and shall be not less than one hundred percent (100%) of the Fair Market Value of such Shares on the date such Option or SAR is granted.

Section 6.4 Expiration of Options and SARs. No Option or SAR may be exercised after the first to occur of the following events:

- (a) The expiration of ten (10) years from the date the Option or SAR was granted; or
- (b) With respect to an Incentive Stock Option in the case of an Optionee owning (within the meaning of Code Section 424(d)), at the time the Incentive Stock Option was granted, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, the expiration of five (5) years from the date the Incentive Stock Option was granted.

ARTICLE VII
EXERCISE OF OPTIONS AND SARs

Section 7.1 Person Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise an Option or SAR (or any portion thereof) granted to him or her; provided, however, that the Optionee's Eligible Representative may exercise his or her Option or SAR or portion thereof during the period of the Optionee's Disability. After the death of the Optionee, any exercisable portion of an Option or SAR may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Award Agreement, be exercised by his or her Eligible Representative.

Section 7.2 Partial Exercise. At any time and from time to time prior to the date on which the Option or SAR becomes unexercisable under the Plan or the applicable Award Agreement, the exercisable portion of an Option or SAR may be exercised in whole or in part; provided, however, that the Company shall not be required to issue fractional Shares and the Committee may, by the terms of the Option or SAR, require any partial exercise to exceed a specified minimum number of Shares.

Section 7.3 Manner of Exercise. Subject to any generally applicable conditions or procedures that may be imposed by the Committee, an exercisable Option or SAR, or any exercisable portion thereof, may be exercised solely by delivery to the Committee or its designee of all of the following prior to the time when such Option or SAR or such portion becomes unexercisable under the Plan or the applicable Award Agreement:

- (a) Notice in writing signed by the Optionee or his or her Eligible Representative, stating that such Option or SAR or portion is being exercised, and specifically stating the number of Shares with respect to which the Option or SAR is being exercised (which form of notice shall be provided by the Committee upon request and may be electronic);
- (b) (i) With respect to the exercise of any Option, full payment (in cash (through wire transfer only) or by personal, certified, or bank cashier check) of the aggregate Exercise Price of the Shares with respect to which such Option (or portion thereof) is thereby exercised; or
(ii) With the consent of the Committee, (A) Shares owned by the Optionee duly endorsed for transfer to the Company or (B) Shares issuable to the Optionee upon exercise of the Option, with a Fair Market Value on the date of Option exercise equal to the aggregate Exercise Price of the Shares with respect to which such Option (or portion thereof) is thereby exercised; or
(iii) With the consent of the Committee, payment of the Exercise Price through a broker-assisted cashless exercise program established by the Company; or
(iv) With the consent of the Committee, any form of payment of the Exercise Price permitted by Applicable Laws and any combination of the foregoing methods of payment.
- (c) Full payment to the Company (in cash or by personal, certified or bank cashier check or by any other means of payment approved by the Committee) of all amounts necessary to satisfy any and all Withholding Taxes arising in connection with the exercise of the Option or SAR (notice of the amount of which shall be provided by the Committee as soon as practicable following receipt by the Committee of the notice of exercise);
- (d) In the event that the Option or SAR or portion thereof shall be exercised as permitted under Section 7.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option or SAR or portion thereof.

Section 7.4 Settlement of SARs. Unless otherwise determined by the Committee, upon exercise of a SAR, the Participant shall be entitled to receive payment in the form, determined by the Committee and set forth in the Award Agreement, of Shares, or cash, or a combination of Shares and cash having an aggregate value equal to the amount determined by multiplying: (a) any increase in the Fair Market Value of one Share on the exercise date over the Base Price of such SAR, by (b) the number of Shares with respect to which such SAR is exercised; provided, however, that on the grant date, the Committee may establish, in its sole discretion, a maximum amount per Share that may be payable upon exercise of a SAR, and provided, further, that in no event shall the value of the Common Stock or cash delivered on exercise exceed the excess of the Fair Market Value of the Shares with respect to which the SAR is exercised over the Fair Market Value of such Shares on the grant date of such SAR.

Section 7.5 Conditions to Issuance of Shares. The Company shall evidence the issuance of Shares delivered upon exercise of an Option or SAR in the books and records of the Company or in a manner determined by the Company. Notwithstanding the above, the Company shall not be required to effect the issuance of any Shares purchased upon the exercise of any Option or SAR or portion thereof prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on any and all stock exchanges on which such class of Common Stock is then listed;
- (b) The completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its sole discretion, deem necessary or advisable;
- (c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its sole discretion, determine to be necessary or advisable and
- (d) The payment to the Company (or its Subsidiary or Affiliate, as applicable) of all amounts which it is required to withhold under Applicable Law in connection with the exercise of the Option or SAR.

The Committee shall not have any liability to any Optionee for any delay in the delivery of Shares to be issued upon an Optionee's exercise of an Option or SAR.

Section 7.6 Rights as Stockholders. The holder of an Option or SAR shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any Shares purchasable upon the exercise of any part of an Option or SAR.

Section 7.7 Transfer Restrictions. The Committee, in its sole discretion, may set forth in an Award Agreement such further restrictions on the transferability of the Shares purchasable upon the exercise of an Option or SAR, as it deems appropriate. Any such restriction may be referred to in the Share register maintained by the Company or otherwise in a manner reflecting its applicability to the Shares. The Committee may require the Employee to give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Stock Option, within two (2) years from the grant date of such Option or one (1) year after the transfer of such Shares to such Employee. The Committee may cause the Share register maintained by the Company to refer to such requirement.

ARTICLE VIII
RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNIT AWARDS

Section 8.1 Restricted Stock.

(a) Grant of Restricted Stock. The Committee is authorized to make Awards of Restricted Stock to any Service Provider selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Stock shall be evidenced by an Award Agreement.

(b) Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or limitations on the right to pay dividends or Dividend Equivalents on Restricted Stock before said Restricted Stock vests); provided, however, that any cash or shares of Common Stock distributed as a dividend or otherwise with respect to any Restricted Stock as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Restricted Stock and held or restricted as provided in this Section. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

(c) Issuance of Restricted Stock. The issuance of Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine.

Section 8.2 Restricted Stock Units. The Committee is authorized to make Awards of Restricted Stock Units to any Service Provider selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee 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. At the time of grant, the Committee shall specify the settlement 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 grantee. On the settlement date, the Company shall, subject to the terms of the Plan, transfer to the Participant one Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited.

Section 8.3 Rights as a Stockholder. A Participant shall not be, nor have any of the rights or privileges of, a stockholder in respect of Restricted Stock Units awarded pursuant to the Plan, except as the Committee may provide under Section 4.6.

ARTICLE IX
PERFORMANCE SHARES AND PERFORMANCE UNITS

Section 9.1 Grant of Performance Shares or Performance Units. The Committee is authorized to make Awards of Performance Shares and Performance Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Performance Shares and Performance Units shall be evidenced by an Award Agreement.

Section 9.2 Issuance and Restrictions. The Committee shall have the authority to determine the Participants who shall receive Performance Shares and Performance Units, the number of Performance Shares and the number and value of Performance Units each Participant receives for any Performance Period and the Performance Goals applicable in respect of such Performance Shares and Performance Units for each Performance Period. The Committee shall determine the duration of each Performance Period (the duration of Performance Periods may differ from one another), and there may be more than one Performance Period in existence at any one time. An Award Agreement evidencing the grant of Performance Shares or Performance Units shall specify the number of Performance Shares and the number and value of Performance Units awarded to the Participant, the Performance Goals applicable thereto, and such other terms and conditions not inconsistent with the Plan, as the Committee shall determine. No Common Stock will be issued at the time an Award of Performance Shares is made, and the Company shall not be required to set aside a fund for the payment of Performance Shares or Performance Units.

Section 9.3 Earned Performance Shares and Performance Units. Performance Shares and Performance Units shall become earned, in whole or in part, based upon the attainment of specified Performance Goals or the occurrence of any event or events, as the Committee shall determine, either in an Award Agreement or thereafter on terms more favorable to the Participant to the extent consistent with Section 162(m). In addition to the achievement of the specified Performance Goals, the Committee may condition payment of Performance Shares and Performance Units on such other conditions as the Committee shall specify in an Award Agreement. The Committee may also provide in an Award Agreement for the completion of a minimum period of service (in addition to the achievement of any applicable Performance Goals) as a condition to the vesting of any Performance Share or Performance Unit Award.

Section 9.4 Rights as a Stockholder. A Participant shall not have any rights as a stockholder in respect of Performance Shares or Performance Units awarded pursuant to the Plan, except as the Committee may provide under Section 4.6. Performance Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Performance Shares or limitations on the right to pay dividends or Dividend Equivalents on Performance Shares before said Performance Shares vest); provided, however, that any cash or shares of Common Stock distributed as a dividend or otherwise with respect to any Performance Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Performance Shares and held or restricted as provided in this Section. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

Section 9.5 Performance Goals. The Committee shall establish the Performance Goals that must be satisfied in order for a Participant to receive an Award for a Performance Period or for an Award of Performance Shares or Performance Units (or other Award subject to performance conditions) to be earned or vested. At the discretion of the Committee, the Performance Goals may be based upon (alone or in combination): (a) net or operating income (before or after taxes); (b) earnings before taxes, interest, depreciation, and/or amortization (“EBITDA”); (c) EBITDA excluding charges for stock-based compensation, management fees, acquisition, integration and transaction costs, impairments, restructuring charges and other adjustments that the Committee deems appropriate (“Adjusted EBITDA”) (understanding that the definition of, and the formula for determining Adjusted EBITDA may change from time to time but is generally expected to be Adjusted EBITDA as publicly reported by the Company to its investors), and operating leverage or Adjusted EBITDA growth/sales growth (d) basic or diluted earnings per share or improvement in basic or diluted earnings per share; (e) sales (including, but not limited to, total sales, net sales, revenue growth, or sales growth in excess of market growth); (f) net operating profit; (g) financial return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue); (h) cash flow measures (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, cash flow return on investment, cash conversion, or pre-tax, pre-interest cash flow/Adjusted EBITDA); (i) productivity ratios (including but not limited to measuring liquidity, profitability or leverage) and synergies achievements; (j) share price (including, but not limited to, growth measures and total stockholder return); (k) expense/cost management targets; (l) margins (including, but not limited to, operating margin, net income margin, cash margin, gross, net or operating profit margins, EBITDA margins, Adjusted EBITDA margins); (m) operating efficiency; (n) market share or market penetration; (o) customer targets (including, but not limited to, customer growth or customer satisfaction); (p) working capital targets or improvements; (q) economic value added; (r) balance sheet metrics (including, but not limited to, inventory, inventory turns, receivables turnover, net asset turnover, debt reduction, retained earnings, year-end cash, cash conversion cycle, ratio of debt to equity or to EBITDA); (s) workforce targets (including but not limited to diversity goals, employee engagement or satisfaction, employee retention, and workplace health and safety goals); (t) implementation, completion or attainment of measurable objectives with respect to research and development, key products or key projects, lines of business, acquisitions and divestitures and strategic plan development and/or implementation; (u) comparisons with various stock market indices, peer companies or industry groups or classifications with regard to one more of these criteria, (v) tax savings or (w) at any time in the case of (A) persons who are not “covered employees” under Section 162(m) or (B) Awards (whether or not to “covered employees”) not intended to qualify as performance-based compensation under Section 162(m), such other criteria as may be determined by the Committee. In addition, the Company may use “Pre-Bonus Adjusted EBITDA” as a Financial Performance Measure, which adds back any AIP Awards made during the fiscal year to Adjusted EBITDA. The foregoing Financial Performance Measures may be supplemented from time to time as appropriate. Performance Goals may be established on a Company-wide basis or with respect to one or more business units, divisions, geographies, Subsidiaries or Affiliates, or products and may be expressed in absolute terms, or relative to (i) current internal targets or budgets, (ii) the past performance of the Company (including the performance of one or more Subsidiaries, Affiliates, divisions, or operating units), (iii) the performance of one or more similarly situated companies, (iv) the performance of an index covering a peer group of companies, or (v) other external measures of the selected

performance criteria. Any performance goals that are financial metrics, may be determined in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), in accordance with accounting principles established by the International Accounting Standards Board (“IASB Principles”), or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP or under IASB Principles. Any performance objective may measure performance on an individual basis, as appropriate. The Committee may provide for a threshold level of performance below which no Shares or compensation will be granted or paid in respect of Performance Shares or Performance Units, and a maximum level of performance above which no additional Shares or compensation will be granted or paid in respect of Performance Shares or Performance Units, and it may provide for differing amounts of Shares or compensation to be granted or paid in respect of Performance Shares or Performance Units for different levels of performance. The Committee may provide for exclusion of the impact of an event or occurrence which the Committee determines should appropriately be excluded, including but not limited to unusual and/or infrequently occurring or nonrecurring items as determined under U.S. generally accepted accounting principles and as identified in the financial statements, notes to the financial statements or management’s discussion and analysis in the annual report, including, without limitation, the charges or costs associated with restructurings of the Company, discontinued operations, capital gains and losses, dividends, Share repurchase, other unusual or non-recurring items, and the cumulative effects of accounting changes.

Section 9.6 Special Rule for Performance Goals. If, at the time of grant, the Committee intends any Award to qualify as performance-based compensation within the meaning of Section 162(m) (except with respect to Options or SARs), the Committee must establish Performance Goals (and any exclusions) for the applicable Performance Period prior to the 91st day of the Performance Period (or by such other date as may be required under Section 162(m)) but not later than the date on which twenty-five percent (25%) of the Performance Period has elapsed.

Section 9.7 Negative Discretion. Notwithstanding anything in this Article IX to the contrary, the Committee shall have the right, in its absolute discretion, (i) to reduce or eliminate the amount otherwise payable to Participants under Section 9.9 based on performance or any other factors that the Committee, in its discretion, shall deem appropriate, provided that any such reduction must be proportionate among all Participants, and (ii) to establish rules or procedures that have the effect of limiting the amount payable to each Participant to an amount that is less than the maximum amount otherwise authorized under the Award or under the Plan.

Section 9.8 Affirmative Discretion. Notwithstanding any other provision in the Plan to the contrary, but subject to the maximum number of Shares available for issuance under Article IV of the Plan, the Committee shall have the right, in its discretion, to grant an Award in cash, Shares or other Awards, or in any combination thereof, to any Participant (except for Awards intend to qualify as performance-based compensation under Section 162(m), to the extent Section 162(m) is applicable to the Company and the Plan) in a greater amount than would apply under the applicable Performance Goals, based on individual performance or any other criteria that the Committee deems appropriate. Notwithstanding any provision of the Plan to the contrary, in no event shall the Committee have, or exercise, discretion with respect to an Award intended to qualify as performance-based compensation under Section 162(m) if such discretion or the exercise thereof would cause such qualification not to be available.

Section 9.9 Certification of Attainment of Performance Goals. As soon as practicable after the end of a Performance Period and prior to any payment or vesting in respect of such Performance Period, the Committee shall certify in writing the number of Shares, units, and/or amount of cash that have been earned or vested on the basis of performance in relation to the established Performance Goals.

Section 9.10 Payment of Awards. Payment or delivery of Common Stock and/or cash with respect to earned Performance Shares and earned Performance Units shall be made to the Participant or, if the Participant has died, to the Participant's Eligible Representative, as soon as practicable after the expiration of the Performance Period and the Committee's certification under Section 9.9 and (unless an applicable Award Agreement shall set forth one or more other dates or unless otherwise deferred in accordance with Company policies) in any event no later than two and one-half (2 1/2) months after the latest of (i) the end of the fiscal year in which the Performance Period has ended, (ii) the end of the Participant's first taxable year in which the right to the Performance Shares is no longer subject to a substantial risk of forfeiture, and (iii) the end of the Company's recipient's first fiscal year in which the Participants' rights to the Performance Shares are no longer subject to a substantial risk of forfeiture. The Committee shall determine and set forth in the applicable Award Agreement whether earned Performance Shares and the value of earned Performance Units are to be distributed in the form of cash, Shares or in a combination thereof, with the value or number of Shares payable to be determined based on the Fair Market Value of the Common Stock on the date of the Committee's certification under Section 9.9 or such other date specified in the Award Agreement. The Committee may, in an Award Agreement with respect to the award or delivery of Shares or cash, condition the vesting of such Shares or cash on the performance of additional service.

Section 9.11 Newly Eligible Participants. Notwithstanding anything in this Article IX to the contrary, the Committee shall be entitled to make such rules, determinations and adjustments, as it deems appropriate with respect to any Participant who becomes eligible to receive Performance Shares, Performance Units, or other Performance Awards after the commencement of a Performance Period.

ARTICLE X

OTHER STOCK-BASED AWARDS

Section 10.1 Grant of Stock-Based Awards. The Committee is authorized to make Awards of other types of equity-based or equity-related awards ("Stock-Based Awards") not otherwise described by the terms of the Plan in such amounts and subject to such terms and conditions as the Committee shall determine. All Stock-Based Awards shall be evidenced by an Award Agreement. Such Stock-Based Awards may be granted as an inducement to enter the employ of the Company or any Subsidiary or Affiliate or in satisfaction of any obligation of the Company or any Subsidiary or Affiliate to an officer or other key employee, whether pursuant to the Plan or otherwise, that would otherwise have been payable in cash or in respect of any other obligation of the Company. Such Stock-Based Awards may entail the transfer of actual Shares, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

Section 10.2 Automatic Grants for Directors. Subject to Section 4.3, the Committee may institute, by resolution, grants of automatic Awards to new and continuing Directors, with the number and type of such Awards, the frequency of grant and all related terms and conditions, including any applicable vesting conditions, as determined by the Committee in its sole discretion.

ARTICLE XI
CASH INCENTIVE AWARDS

Section 11.1 Cash Incentive Awards. The Committee may grant Awards that may be earned in whole or in part based on the attainment of the Performance Goals (“Cash Incentive Awards”). In the event the Committee deems it appropriate that the Company’s short-term cash incentives for executive officers of the Company who are from time to time determined by the Committee to be “covered employees” for purposes of Section 162(m), qualify for deductibility under the “performance-based” compensation exception contained in Section 162(m), the provisions of this Section 11 (and Section 9, to the extent applicable) shall apply to such Cash Incentive Awards.

Section 11.2 Eligibility and Participation. All Section 16 Participants of the Company shall be eligible to receive Cash Incentive Awards under the Plan.

Section 11.3 New Hires, Promotions, and Terminations. Unless otherwise provided in an Award Agreement, Company plan or policy, or other agreement between the Company or Affiliate and a Participant, the following rules shall apply:

(a) New Participants During the Performance Period. If an individual is newly hired or promoted during a Performance Period into a position eligible for a Cash Incentive Award as a Section 16 Participant under this Section 11, he or she shall be eligible (but not guaranteed) to receive a Cash Incentive Award under this Section 11 for the Performance Period, prorated for the portion of the Performance Period following the date of eligibility for a Cash Incentive Award hereunder.

(b) Disability or Death. A Section 16 Participant who terminates employment with the Company due to Disability or death during a Performance Period shall be eligible (but not guaranteed) to receive a Cash Incentive Award prorated for the portion of the Performance Period prior to termination of employment. A Participant who terminates employment with the Company due to Disability or death following the end of a Performance Period but before Cash Incentive Awards relating to such Performance Period are paid shall be eligible (but not guaranteed) to receive the full Cash Incentive Award for such Performance Period. Cash Incentive Awards payable in the event of death, if paid, shall be paid to the Section 16 Participant’s estate. Any such Cash Incentive Award shall be payable at the same time as other Cash Incentive Awards are paid for the relevant year.

(c) Termination of Employment. Subject to Section 11.3(b), if a Participant’s employment with the Company terminates for any reason (whether voluntarily or involuntarily) either during a Performance Period or following the end of a Performance Period but before Cash Incentive Awards relating to such Performance Period are paid, unless otherwise determined by the Committee, no Cash Incentive Award (or portion thereof) shall be payable or earned with respect to such Performance Period.

Section 11.4 General. The provisions of this Section 11 are intended to ensure that Cash Incentive Awards granted to Section 16 Participants hereunder that are intended to qualify as “performance-based compensation” (within the meaning of Section 162(m)) satisfy the exemption from the limitation on deductibility imposed by Section 162(m) that is set forth in Section 162(m)(4)(C), and this Section 11 and the Plan shall be interpreted and operated consistent with that intention to the extent applicable. Notwithstanding the foregoing, neither the adoption and operation of this Section 11 by the Committee nor its submission to (or approval by) the shareholders of the Company shall be construed as having created any limitations on the power of Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including, without limitation, cash or equity-based compensation arrangements, whether tied to performance or otherwise, and the adoption and operation of this Article 11 shall not preclude the Board or the Committee from approving other Cash Incentive Awards or short-term incentive compensation arrangements for the benefit of individuals who are Participants hereunder, whether or not such Participants are Section 16 Participants, as the Committee deems appropriate and in the best interests of the Company.

ARTICLE XII

TERMINATION AND FORFEITURE

Section 12.1 Termination for Cause. Unless otherwise determined by the Committee at the grant date and set forth in the Award Agreement covering the Award or otherwise in writing or determined thereafter in a manner more favorable to the Participant, if a Participant’s employment or service terminates for Cause, all Options and SARs, whether vested or unvested, and all other Awards that are unvested or unexercisable or otherwise unpaid (or were unvested or unexercisable or unpaid at the time of occurrence of Cause) shall be immediately forfeited and canceled, effective as of the date of the Participant’s termination of service.

Section 12.2 Termination for Any Other Reason. Unless otherwise determined by the Committee at the grant date and set forth in the Award Agreement covering the Award or otherwise in writing or determined thereafter in a manner more favorable to the Participant, or otherwise as may be provided in an agreement between a Participant and the Company, if a Participant’s employment or service terminates for any reason other than Cause:

(a) All Awards that are unvested or unexercisable shall be immediately forfeited and canceled, effective as of the date of the Participant’s termination of service;

(b) All Options and SARs that are vested shall remain outstanding until (w) in the case of termination for death or Disability, the 180th calendar day following the date of the Participant’s death or Disability, (x) in the case of retirement at normal retirement age (and, for purposes of the Plan, “normal retirement age” shall have the meaning set forth in the applicable Award Agreement or, if not defined in the Award Agreement, pursuant to the customary policies of the Company), (I) for Options and SARs that are vested at the date of retirement, the 180th calendar day following the date of the Participant’s retirement, and (II) for Options and SARs that become vested following the Participant’s retirement (if any), the 90th calendar day following such post-termination vesting date, (y) the expiration of three months following the effective date of the Participant’s termination of employment or service (as applicable) for any reason other than death, Disability or retirement at normal retirement age or (z) the Award’s normal expiration date, in all cases whichever is earlier, after which

any unexercised Options and SARs shall immediately terminate; provided that if the exercise period of an Option or SAR would expire at a time when trading in the Common Stock is prohibited by federal securities law or the Company's insider trading policy, the expiration of the Option or SAR shall be automatically extended until the thirtieth (30th) calendar day following the expiration of such prohibition (so long as such extension shall not violate Section 409A); and

(c) All Awards other than Options and SARs that are vested shall be treated as set forth in the applicable Award Agreement (or in any more favorable manner determined by the Committee).

Section 12.3 Post-Termination Informational Requirements. Before the settlement of any Award following termination of employment or service, the Committee may require the Participant (or the Participant's Eligible Representative, if applicable) to make such representations and provide such documents or agreements as the Committee deems necessary or advisable to effect compliance with Applicable Law and determine whether the provisions of Section 12.1 or Section 12.4 may apply to such Award.

Section 12.4 Forfeiture of Awards. Awards and Common Stock that has been distributed pursuant to Awards shall be subject to any clawback policy adopted by the Committee, the Board, or the Company from time to time (including after the Effective Date), including any such policy adopted to comply with Applicable Law. Awards granted under the Plan (and gains earned or accrued in connection with Awards) shall be subject to such generally applicable policies as to forfeiture and recoupment (including, without limitation, upon the occurrence of material financial or accounting errors, financial or other misconduct or Competitive Activity) as may be adopted by the Committee or the Board from time to time or as set forth in the Award Agreement communicated to Participants. Any such policies may (in the discretion of the Committee or the Board) be applied to outstanding Awards at the time of adoption of such policies, or on a prospective basis only. The Participant shall also forfeit and disgorge to the Company any Awards granted or vested and any gains earned or accrued due to the exercise of Options or SARs or the sale of any Common Stock to the extent required by Applicable Law or regulations in effect on or after the Effective Date, including Section 304 of the Sarbanes-Oxley Act of 2002 and Section 10D of the Exchange Act. For the avoidance of doubt, the Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder. The implementation of policies and procedures pursuant to this Section 12.5 and any modification of the same shall not be subject to any restrictions on amendment or modification of Awards.

ARTICLE XIII **CHANGE OF CONTROL**

Section 13.1 Alternative Award; Double Trigger. Unless otherwise provided in an Award Agreement or other agreement between a Participant and the Company, no cancellation, acceleration of vesting or other payment shall occur with respect to any Award if the Committee reasonably determines in good faith, prior to the occurrence of a Change of Control, that such Award shall be honored or assumed, or new rights substituted therefor, in connection with the Change of Control (such honored, assumed or substituted award, an "Alternative Award"), provided that any Alternative Award must:

(a) Give the Participant who held such Award rights and entitlements substantially equivalent to or better than the rights and terms applicable under such Award immediately prior to the Change of Control, including, without limitation, an identical or better schedule as to vesting and/or exercisability, and for Alternative Awards that are stock options, identical or better methods of payment of the Exercise Price thereof (provided, however, that, notwithstanding this Section 13.1(a), if the securities underlying the Alternative Award are not publicly traded, the acquisition, holding and disposition of the shares underlying the Alternative Award may be subject to such terms and conditions as are established by the Committee prior to the Change of Control); and

(b) Have terms such that if, on or prior to the second anniversary following a Change of Control, the Participant's employment is involuntarily (other than for Cause) or constructively terminated (in each case as the terms "involuntarily" and "constructively" are determined by the Committee as constituted prior to the Change of Control), at a time when any portion of the Alternative Award is unvested, the unvested portion of such Alternative Award shall immediately vest in full and such Participant shall be provided with either cash marketable stock equal to the fair market value of the stock subject to the Alternative Award on the date of termination (and, in the case of Alternative Awards that are stock options or stock appreciation rights, in excess of the Exercise Price or Base Price that the Participant would be required to pay in respect of such Alternative Award).

Section 13.2 Accelerated Vesting and Payment. Except as otherwise provided in this Article XIII or in an Award Agreement or thereafter on terms more favorable to a Participant, upon a Change of Control, or otherwise as provided in an agreement between the Participant and the Company, if Alternative Awards are not provided in accordance with Section 13.1:

(a) Each unvested Option or SAR shall become fully vested and exercisable;

(b) The vesting restrictions applicable to all other unvested Awards (other than freestanding Dividend Equivalents not granted in connection with another Award) shall lapse, all such Awards shall vest and become non-forfeitable; the Performance Goals established by the Committee for Performance Shares, Performance Units or similar performance-based Awards for the Performance Period in which the Change of Control is effective shall be deemed to have been achieved at the target level;

(c) Any Awards (other than freestanding Dividend Equivalents not granted in connection with another Award) that were vested prior to the Change of Control but that have not been settled or converted into Shares prior to the Change of Control, plus those Awards that become vested in accordance with Section 13.2(b) above, shall be settled in cash or converted into Shares; and

(d) All freestanding Dividend Equivalents not granted in connection with another Award shall be cancelled without payment therefor.

For avoidance of doubt, upon a Change of Control the Committee may cancel Options and SARs for no consideration if the aggregate Fair Market Value of the Shares subject to Options and SARs is less than or equal to the Exercise Price of such Options or the Base Price of such SARs.

Section 13.3 Certain Covered Transactions. In the event of a Change of Control that is a merger or consolidation in which the Company is not the surviving corporation or that results in the acquisition of substantially all the Company's outstanding Shares by a Person or group of Persons or entities acting in concert, or in the event of a sale or transfer of all or substantially all of the Company's assets (a "Covered Transaction"), the Committee shall have the discretion to provide for the termination of all outstanding Options and SARs as of the effective date of the Covered Transaction; provided, that, no Option or SAR will be so terminated (without the consent of the Participant) prior to the expiration of twenty (20) calendar days following the later of (i) the date on which the Award became fully exercisable and (ii) the date on which the Participant received written notice of the Covered Transaction. In the event of a Change of Control that involves a purchase of Shares for cash, the Board can implement or negotiate a procedure whereunder all Participants' unexercised Options or SARs may be cashed out as part of the purchase transaction, without requiring exercise, for the difference between the purchase price and the Exercise Price.

Section 13.4 Section 409A. Notwithstanding the discretion in Sections 13.1 and 13.2, if any Award is subject to Section 409A and an Alternative Award would be deemed a non-compliant modification of such Award under Section 409A, then no Alternative Award shall be provided and such Award shall instead be treated as provided in Section 13.1 or in the Award Agreement (or in such other manner determined by the Committee that is a compliant modification under Section 409A).

ARTICLE XIV **OTHER PROVISIONS**

Section 14.1 Awards Not Transferable. Unless otherwise agreed to in writing by the Committee, no Award or interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, 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), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that nothing in this Section 14.1 shall prevent transfers by will or by the Applicable Laws of descent and distribution.

If allowed by the Committee, a Participant may transfer the ownership of some or all of the vested or earned Awards granted to such Participant, other than Incentive Stock Options to (i) the spouse, children or grandchildren of such Participant (the "Family Members"), (ii) a trust or trusts established for the exclusive benefit of such Family Members, or (iii) a partnership in which such Family Members are the only partners. Notwithstanding the foregoing:

- (a) Under no circumstances will a Participant be permitted to transfer a stock option to a third-party financial institution without prior shareholder approval, and
- (b) Vested or earned Awards may be transferred without the Committee's pre-approval if the transfer is made incident to a divorce as required pursuant to the terms of a "domestic relations order" as defined in Code Section 414(p); provided that no such transfer will be allowed with respect to Incentive Stock Options if such transferability is not permitted by Code Section 422.

Any such transfer shall be without consideration and shall be irrevocable. No Award so transferred may be subsequently transferred, except by will or applicable laws of descent and distribution. The Committee may create additional conditions and requirements applicable to the transfer of Awards. Following the allowable transfer of a vested Option, such Option shall continue to be subject to the same terms and conditions as were applicable to the Option immediately prior to the transfer. For purposes of settlement of the Award, delivery of Stock upon exercise of an Option, and the Plan's Change of Control provisions, any reference to a Participant shall be deemed to refer to the transferee.

Section 14.2 Amendment, Suspension or Termination of the Plan or Award Agreements.

(a) The Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee; provided that without the approval by the Company's stockholders if required by, and, if so required, in accordance with, (A) the listing requirements of any principal securities exchange or market on which the Shares are then traded or (B) any other applicable law or regulation, no amendment or modification to the Plan may (i) except as otherwise expressly provided in Section 4.5, increase the number of Shares subject to the Plan specified in Section 4.1 or the individual Award limitations specified in Section 4.3; (ii) modify the class of persons eligible for participation in the Plan or (iii) materially modify the Plan in any other way that would require stockholder approval under Applicable Law.

(b) Except as provided otherwise expressly provided in the Plan, neither the amendment, suspension nor termination of the Plan shall, without the consent of the holder of the Award, materially adversely alter or impair any rights or obligations under any Award theretofore granted. Except as provided by Section 4.5, notwithstanding the foregoing, the Committee at any time, and from time to time, may amend the terms of any one or more existing Award Agreements, provided, however, that the rights of a Participant under an Award Agreement shall not be adversely impaired in a material manner without the Participant's written consent. The Company shall provide a Participant with notice of any amendment made to such Participant's existing Award Agreement in accordance with the terms of this Section 14.2(b).

(c) Notwithstanding any provision of the Plan to the contrary, in no event shall adjustments made by the Committee pursuant to Section 4.5 or the application of Section 12.4, 13.1, 13.2, 14.6 or 14.12 to any Participant constitute an amendment of the Plan or of any Award Agreement requiring the consent of any Participant.

(d) No Award may be granted during any period of suspension or after termination of the Plan, and in no event may any Award be granted under the Plan after the expiration of ten (10) years from the Effective Date (provided that no incentive stock options may be granted after ten (10) years from the date the Board approves the Plan).

Section 14.3 Effect of Plan upon Other Award and Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any of its Subsidiaries or Affiliates. Nothing in the Plan shall be construed to limit the right of the Company or any of its Subsidiaries or Affiliates (a) to establish any other forms of incentives or compensation for Service Providers or (b) to grant or assume options or restricted stock other

than under the Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options or restricted stock in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

Section 14.4 At-Will Employment. Nothing in the Plan or any Award Agreement hereunder shall confer upon the Participant any right to continue as a Service Provider of the Company or any of its Subsidiaries or Affiliates or shall interfere with or restrict in any way the rights of the Company and any of its Subsidiaries or Affiliates, which are hereby expressly reserved, to discharge any Participant at any time for any reason whatsoever, with or without Cause.

Section 14.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

Section 14.6 Conformity to Securities Laws. The Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated under any of the foregoing, to the extent the Company, any of its Subsidiaries or Affiliates, or any Participant is subject to the provisions thereof. Notwithstanding anything herein to the contrary, the Plan shall be administered, and Awards shall be granted and may be exercised, only in such a manner as to conform to such laws, rules, and regulations. To the extent permitted by applicable law, the Plan and Awards granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules, and regulations.

Section 14.7 Term of Plan. The Plan shall become effective on the date that it is approved by the Compensation Committee of the Board of Directors of the Company and approved by Company stockholders at the Company's next following Annual Meeting of Stockholders (the "Effective Date") and shall continue in effect, unless sooner terminated pursuant to Section 14.2, until the tenth (10th) anniversary of the Effective Date. The provisions of the Plan shall continue thereafter to govern all outstanding Awards, including after the tenth (10th) anniversary of the Effective Date.

Section 14.8 Governing Law and Venue. To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction. Any and all claims and disputes of any kind whatsoever arising out of or relating to the Plan shall only be brought in the Delaware Chancery Court. The Participant or Person hereby waives any objection which it may now have or may hereafter have to the foregoing choice of venue and further irrevocably submits to the exclusive jurisdiction of the Delaware Chancery Court in any such claim or dispute.

Section 14.9 Severability. In the event any portion of the Plan or any action taken pursuant thereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

Section 14.10 Governing Documents. In the event of any express contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any Subsidiary or Affiliate of the Company that has been approved by the Committee, the express terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that such express provision of the Plan shall not apply. In addition, to the extent any employment or other written agreement between the Participant or the Company or any Subsidiary or Affiliate or a severance plan maintained by the Company or any Subsidiary or Affiliate provides vesting terms with respect to an Award or all awards, which are more favorable to the Participant than those set forth in the Plan or an Award Agreement, the vesting terms in such employment or other written agreement or severance plan shall control.

Section 14.11 Withholding Taxes. In addition to any rights or obligations with respect to Withholding Taxes under the Plan or any applicable Award Agreement, the Company or any Subsidiary or Affiliate employing a Service Provider shall have the right to withhold from the Service Provider, or otherwise require the Service Provider or an assignee to pay, any Withholding Taxes arising as a result of grant, exercise, vesting or settlement of any Award or any other taxable event occurring pursuant to the Plan or any Award Agreement, including, without limitation, to the extent permitted by law, the right to deduct any such Withholding Taxes from any payment of any kind otherwise due to the Service Provider or to take such other actions (including, without limitation, withholding any Shares or cash deliverable pursuant to the Plan or any Award or approving a broker-assisted sell-to-cover transaction) as may be necessary to satisfy such Withholding Taxes; provided, however, that in the event that the Company withholds Shares issued or issuable to the Participant to satisfy all or any portion of the Withholding Taxes, the Company shall withhold a number of whole Shares having a Fair Market Value, determined as of the date of withholding, not in excess of the amount required to be withheld by law, not exceeding the maximum individual statutory tax rate in a given jurisdiction (or such lower amount as may be necessary to avoid liability award accounting, or any other accounting consequence or cost, as determined by the Committee, and in any event in accordance with Company policies), and any remaining amount shall be remitted in cash or withheld; and provided, further, that with respect to any Award subject to Section 409A, in no event shall Shares be withheld pursuant to this Section 14.11 (other than upon or immediately prior to settlement in accordance with the Plan and the applicable Award Agreement) other than to pay taxes imposed under the U.S. Federal Insurance Contributions Act (FICA) and any associated U.S. federal withholding tax imposed under Code Section 3401 and in no event shall the value of such Shares (other than upon immediately prior to settlement) exceed the amount of the tax imposed under FICA and any associated U.S. federal withholding tax imposed under Code Section 3401. The Participant shall be responsible for all Withholding Taxes and other tax consequences of any Award granted under the Plan.

Section 14.12 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A and 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 adoption of the Plan. Notwithstanding any provision of the Plan to the contrary, in the event that following

the adoption of the Plan, the Committee determines that any Award may be subject to Section 409A and related regulations and Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the adoption of the Plan), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee 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, (b) comply with the requirements of Section 409A and related Department of Treasury guidance or (c) comply with any correction procedures available with respect to Section 409A. Notwithstanding anything else contained in the Plan or any Award Agreement to the contrary, if a Service Provider is a “specified employee” as determined pursuant to Section 409A under any Company Specified Employee policy in effect at the time of the Service Provider’s “separation from service” (as determined under Section 409A) or, if no such policy is in effect, as defined in Section 409A), then, to the extent necessary to comply with, and avoid imposition on such Service Provider of any tax penalty imposed under, Section 409A, any payment required to be made to a Service Provider hereunder upon or following his or her separation from service shall be delayed until the first to occur of (i) the six-month anniversary of the Service Provider’s separation from service and (ii) the Service Provider’s death. Should payments be delayed in accordance with the preceding sentence, the accumulated payment that would have been made but for the period of the delay shall be paid in a single lump sum during the ten-day period following the lapsing of the delay period.

Section 14.13 No Guarantee of Tax Treatment. Notwithstanding any provisions of the Plan, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Code Section 409A shall be so exempt, (ii) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any Subsidiary or Affiliates indemnify, defend or hold harmless any Person with respect to the tax consequences of any Award.

Section 14.14 Notices. Except as provided otherwise in an Award Agreement, all notices and other communications required or permitted to be given under the Plan or any Award Agreement shall be in writing and shall be deemed to have been given if delivered personally, sent by email or any other form of electronic transfer approved by the Committee, sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, (i) in the case of notices and communications to the Company, to 6100 Center Drive, Suite 1020, Los Angeles, California 90045 to the attention of the General Counsel of the Company or (ii) in the case of a Participant, to the last known address, or email address or, where the individual is an employee of the Company or one of its subsidiaries, to the individual’s workplace address or email address or by other means of electronic transfer acceptable to the Committee. All such notices and communications shall be deemed to have been received on the date of delivery, if sent by email or any other form of electronic transfer, at the time of dispatch or on the third business day after the mailing thereof.

Section 14.15 Unfunded Plan. The Plan is unfunded and does not create, and should not be construed to create, a trust or separate fund with respect to the Plan's benefits. The Plan does not establish any fiduciary relationship between the Company and any Participant or other Person. To the extent any Person holds any rights by virtue of an Award granted under the Plan, such rights are no greater than the rights of the Company's general unsecured creditors.

Section 14.16 Construction. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used in the singular or plural, they shall be construed as though they were used in the plural or singular, as the case may be, in all cases where they would so apply. Titles of sections are for general information only, and the Plan is not to be construed with reference to such titles.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by the undersigned.

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ Stephen Ballas

Name: Stephen Ballas

Title: Executive Vice President and General Counsel

Date: June 25, 2018