

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

FORM 10-Q

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

For the quarterly period ended June 30, 2018

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 001-35176



GLOBAL EAGLE ENTERTAINMENT INC.

(Exact name of registrant as specified in its charter)

Delaware

27-4757800

**(State or other jurisdiction of
incorporation or organization)**

(I.R.S. Employer Identification Number)

6100 Center Drive, Suite 1020

90045

Los Angeles, California

(Zip Code)

(Address of principal executive offices)

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

(Class)	(Outstanding as of August 6, 2018)
COMMON STOCK, \$0.0001 PAR VALUE	91,281,799 SHARES*

* Excludes 3,053,634 shares held by a wholly-owned subsidiary of the registrant.

**GLOBAL EAGLE ENTERTAINMENT INC.
FORM 10-Q
FOR THE FISCAL QUARTER ENDED JUNE 30, 2018**

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share and per share amounts)

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,403	\$ 48,260
Restricted cash	5,390	3,608
Accounts receivable, net	103,415	113,545
Inventories	32,719	28,352
Prepaid expenses	16,949	13,486
Other current assets	21,482	20,923
TOTAL CURRENT ASSETS:	217,358	228,174
Content library	8,101	8,686
Property, plant and equipment, net	190,716	195,029
Goodwill	159,610	159,696
Intangible assets, net	101,659	122,582
Equity method investments	135,430	137,299
Other non-current assets	11,603	9,118
TOTAL ASSETS	\$ 824,477	\$ 860,584
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 188,231	\$ 205,036
Deferred revenue	8,472	6,508
Current portion of long-term debt	19,595	20,106
Other current liabilities	9,661	7,785
TOTAL CURRENT LIABILITIES:	225,959	239,435
Deferred revenue, non-current	1,089	1,079
Long-term debt	633,527	598,958
Deferred tax liabilities	8,590	16,247
Other non-current liabilities	34,455	30,340
TOTAL LIABILITIES	903,620	886,059
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	—	—
Common stock, \$0.0001 par value; 375,000,000 shares authorized, 94,337,195 and 93,834,805 shares issued, 91,283,571 and 90,781,171 shares outstanding, at June 30, 2018 and December 31, 2017, respectively	10	10
Treasury stock, 3,053,634 shares at June 30, 2018 and December 31, 2017	(30,659)	(30,659)
Additional paid-in capital	809,369	779,565
Subscriptions receivable	(591)	(578)
Accumulated deficit	(857,051)	(773,791)
Accumulated other comprehensive loss	(221)	(22)
TOTAL STOCKHOLDERS' DEFICIT	(79,143)	(25,475)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 824,477	\$ 860,584

* See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#).

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Licensing and services	\$ 156,428	\$ 146,148	\$ 302,954	\$ 289,790
Equipment	9,534	9,594	19,505	18,544
Total revenue	<u>165,962</u>	<u>155,742</u>	<u>322,459</u>	<u>308,334</u>
Cost of sales:				
Licensing and services	122,304	108,923	234,795	211,795
Equipment	4,427	9,167	10,415	16,835
Total cost of sales	<u>126,731</u>	<u>118,090</u>	<u>245,210</u>	<u>228,630</u>
Gross margin	39,231	37,652	77,249	79,704
Operating expenses:				
Sales and marketing	10,877	10,029	20,492	21,041
Product development	9,872	7,942	18,206	15,591
General and administrative	29,799	34,929	68,235	70,250
Provision for legal settlements	(141)	—	375	475
Amortization of intangible assets	10,357	10,860	20,920	21,868
Goodwill impairment	—	—	—	78,000
Total operating expenses	<u>60,764</u>	<u>63,760</u>	<u>128,228</u>	<u>207,225</u>
Loss from operations	(21,533)	(26,108)	(50,979)	(127,521)
Other (expense) income:				
Interest expense, net	(19,755)	(14,807)	(35,352)	(25,771)
Loss on extinguishment of debt	—	—	—	(14,389)
Income from equity method investments	428	601	1,589	2,140
Change in fair value of derivatives	(655)	(445)	(91)	2,475
Other (expense) income, net	<u>(673)</u>	<u>653</u>	<u>(347)</u>	<u>165</u>
Loss before income taxes	(42,188)	(40,106)	(85,180)	(162,901)
Income tax (benefit) expense	3,722	4,024	(987)	6,840
Net loss	<u>\$ (45,910)</u>	<u>\$ (44,130)</u>	<u>\$ (84,193)</u>	<u>\$ (169,741)</u>
Net loss per share – basic and diluted	\$ (0.50)	\$ (0.52)	(0.93)	(1.99)
Weighted average shares outstanding – basic and diluted	<u>91,057</u>	<u>85,496</u>	<u>90,925</u>	<u>85,468</u>

* See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#).

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net loss	\$ (45,910)	\$ (44,130)	\$ (84,193)	\$ (169,741)
Other comprehensive income (loss):				
Unrealized foreign currency translation adjustments	199	(47)	199	9
Other comprehensive income (loss)	199	(47)	199	9
Comprehensive loss	<u>\$ (45,711)</u>	<u>\$ (44,177)</u>	<u>\$ (83,994)</u>	<u>\$ (169,732)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT (UNAUDITED)
(In thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Subscriptions Receivable	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance at December 31, 2017	93,835	\$ 10	(3,054)	\$(30,659)	\$779,565	\$ (578)	\$ (773,791)	\$ (22)	\$ (25,475)
Adoption of ASC 606 - Cumulative Adjustment	—	—	—	—	—	—	933	—	933
Equity warrants issued in connection with Second Lien Notes	—	—	—	—	24,196	—	—	—	24,196
Restricted stock units vested and distributed, net of tax	502	—	—	—	(260)	—	—	—	(260)
Stock-based compensation	—	—	—	—	5,868	—	—	—	5,868
Interest income on subscription receivable	—	—	—	—	—	(13)	—	—	(13)
Net loss	—	—	—	—	—	—	(84,193)	—	(84,193)
Tax benefit related to the exercise of stock option	—	—	—	—	—	—	—	—	—
Comprehensive loss, net of tax	—	—	—	—	—	—	—	(199)	(199)
Balance at June 30, 2018	<u>94,337</u>	<u>10</u>	<u>(3,054)</u>	<u>(30,659)</u>	<u>809,369</u>	<u>(591)</u>	<u>(857,051)</u>	<u>(221)</u>	<u>(79,143)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(84,193)	\$ (169,741)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization of property, plant, equipment and intangibles	50,035	42,766
Amortization of content library	5,909	7,764
Non-cash interest expense, net	8,294	2,596
Change in fair value of derivatives	91	(2,475)
Stock-based compensation	5,868	2,843
Impairment of goodwill	—	78,000
Loss (gain) on disposal of fixed assets	(16)	517
Loss on extinguishment of debt	—	14,389
Earnings from equity method investments	(1,589)	(2,140)
Distributions from equity method investments	—	4,900
Provision (recovery of) for bad debts	(802)	2,372
Deferred income taxes	(7,906)	(1,278)
Other	(650)	(1,466)
Changes in operating assets and liabilities:		
Accounts receivable	5,211	(4,988)
Inventories	(7,336)	(4,404)
Prepaid expenses and other current assets	138	4,870
Content library	(4,817)	(8,967)
Other non-current assets	(598)	(142)
Accounts payable and accrued liabilities	(14,972)	(24,281)
Deferred revenue	2,157	(237)
Other current liabilities	2,349	(764)
NET CASH USED IN OPERATING ACTIVITIES	(42,827)	(59,866)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(24,472)	(42,888)
Settlement of EMC Working Capital	—	1,250
NET CASH USED IN INVESTING ACTIVITIES	(24,472)	(41,638)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Second Lien Notes and equity warrants	150,000	—
Proceeds from issuance of debt, net of \$15,000 discount	—	485,000
Issuance costs	(6,968)	(17,893)
Repayments of EMC indebtedness	—	(412,400)
Repayment of revolving credit facility	(78,000)	—
Proceeds from borrowings	—	50,000
Repayments of long-term debt	(6,712)	(3,684)
Payment of contingent consideration	—	(829)
NET CASH PROVIDED BY FINANCING ACTIVITIES	58,320	100,194
Effects of exchange rate changes on cash and cash equivalents	(96)	371
Net decrease in cash and cash equivalents	(9,075)	(939)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD¹	51,868	68,678
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD¹	\$ 42,793	\$ 67,739
SIGNIFICANT NON-CASH INVESTING AND FINANCING ACTIVITIES:		

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Purchase consideration for equipment included in accounts payable	\$ 6,290	\$ 23,500
Distributions from equity method investee to offset demand promissory note	3,430	—
Release of restricted cash held in escrow for EMC Acquisition	—	15,483

¹ June 30, 2017 figures have been recast to include the impact of the adoption of ASU 2016-18. See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#).

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Business

Global Eagle Entertainment Inc. is a Delaware corporation headquartered in Los Angeles, California. Global Eagle (together with its subsidiaries, "Global Eagle" or the "Company", "we", "us" or "our") is a leading provider of media and satellite-based connectivity to fast-growing, global mobility markets across air, land and sea. Global Eagle offers a fully integrated suite of rich media content and seamless connectivity solutions that cover the globe. As of June 30, 2018, our business comprises two operating segments: Media & Content and Connectivity. See [Note 13. Segment Information](#) for further discussion of the Company's reportable segments.

Media & Content

The Media & Content operating segment selects, manages, provides lab services and distributes wholly owned and licensed media content, video and music programming, advertising, applications and video games to the airline, maritime and other "away from home" non-theatrical markets.

Connectivity

The Connectivity operating segment provides its customers, including their passengers and crew, with (i) Wi-Fi connectivity via L, C, Ka and Ku-band satellite transmissions that enable access to the Internet, live television, on-demand content, shopping and travel-related information and (ii) operational solutions that allow customers to improve the management of their internal operations.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying condensed consolidated financial statements.

Basis of Presentation

In the opinion of the Company's management, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements for the year ended December 31, 2017, and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2018. The results for the three and six months ended June 30, 2018 are not necessarily indicative of the results expected for the full 2018 year. The consolidated balance sheet as of December 31, 2017 has been derived from the Company's audited balance sheet included in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on April 2, 2018 (the "2017 Form 10-K").

The interim unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to SEC Form 10-Q and Article 10 of SEC Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete audited financial statements. Therefore, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the 2017 Form 10-K.

These interim unaudited condensed consolidated financial statements have been prepared on the basis of the Company having sufficient liquidity to fund its operations for at least the next twelve months from the issuance of these financial statements in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 205-40 ("ASC Topic 205-40"), *Presentation of Financial Statements—Going Concern*. The Company's principal sources of liquidity have historically been its debt and equity issuances and its cash and cash equivalents (which cash and cash equivalents amounted to \$37.4 million as of June 30, 2018, and \$48.3 million as of December 31, 2017, respectively). The Company's internal plans

and forecasts indicate that it will have sufficient liquidity to continue to fund its business and operations for at least the next twelve months in accordance with ASC Topic 205-40.

The assessment by the Company's management that the Company will have sufficient liquidity to continue as a going concern is based on its completion on March 27, 2018 of the issuance of its second lien notes due June 30, 2023 (the "Second Lien Notes") (as discussed in [Note 8. Financing Arrangements](#)) which provided net cash proceeds of approximately \$143.0 million (of which the Company subsequently used a portion thereof to pay down the then full outstanding principal amount, approximately \$78.0 million, of its revolving credit facility) and on underlying estimates and assumptions, including that the Company: (i) timely files its periodic reports with the SEC; (ii) services its indebtedness and complies with the covenants (including the financial reporting covenants) in the agreements governing its indebtedness; and (iii) remains listed on The Nasdaq Stock Market ("Nasdaq"), including maintaining a minimum stock price pursuant to Nasdaq's listing rules.

If the Company is unable to satisfy the covenants and obligations contained in its senior secured credit agreement dated January 6, 2017 (as amended, the "2017 Credit Agreement"), the securities purchase agreement governing its Second Lien Notes, or the indenture governing its 2.75% convertible senior notes due 2035 (the "convertible notes"), in each case, or obtain waivers thereunder (if needed), then the debtholders and noteholders could have the option to immediately accelerate the outstanding indebtedness, which the Company may not be able to repay. In addition, if the Company is unable to remain in compliance with Nasdaq's listing requirements, then Nasdaq could determine to delist the Company's common stock from Nasdaq, which would in turn constitute a "fundamental change" under the terms of the indenture governing the convertible notes. This would give the convertible noteholders the option to require the Company to repurchase all or a portion of their convertible notes at a repurchase price equal to 100% of the principal amount thereof. In this event, the Company may not be able to repurchase the tendered notes.

The events in the foregoing paragraph, if they occurred, could materially and adversely affect the Company's operating results, financial condition, liquidity and the carrying value of the Company's assets and liabilities. The Company intends to satisfy its current and future debt service obligations with its existing cash and cash equivalents and through accessing its revolving credit facility. However, the Company may not have sufficient funds or may be unable to arrange for additional financing to pay the amounts due under its existing debt instruments in the event of an acceleration event or repurchase event (as applicable). In any such event, funds from external sources may not be available on acceptable terms, if at all.

Reclassifications

Certain reclassifications have been made to the condensed consolidated financial statements of the prior year and the accompanying notes to conform to the current year presentation. Effective January 1, 2018, we adopted ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* and as a result we reclassified the presentation of our statement of cash flows for the six months ended June 30, 2017 to conform with the new restricted cash guidance. Refer to sub-section titled *Adoption of New Accounting Pronouncements* below in this Note.

Revenue Recognition

On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09" or "Topic 606") and all related amendments and applied the concepts to all contracts which were not completed as of January 1, 2018 using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of accumulated deficit. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting policies.

We recorded a net reduction to an opening accumulated deficit of \$0.9 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606, with the impact primarily related to the capitalization of contract costs previously expensed and the recognition of deferred revenue as of December 31, 2017 through accumulated deficit relating to time-based software licenses offset by the deferral of revenues for usage-based licenses that were previously recognized upfront. Applying Topic 606 resulted in a net increase of \$0.3 million and a net decrease of \$0.4 million to revenue, for the three and six months ended June 30, 2018, respectively. The impact to cost of goods sold for the three and six months ended June 30, 2018 was a net decrease of \$0.4 million and \$0.8 million, respectively, primarily relating to revenues in our Media & Content segment as a result of applying Topic 606.

The Company accounts for a contract with a customer when an approved contract exists, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectability of substantially all of the

consideration is probable. Revenue is recognized as the Company satisfies performance obligations by transferring a promised good or service to a customer.

The Company's revenue is principally derived from the following sources:

Media & Content

The Company curates and manages the licensing of content to the airline, maritime, and non-theatrical industries globally and provides associated services, such as technical services, delivery of digital media advertising, the encoding of video and music products, development of graphical interfaces and the provision of materials. Media & Content licensing and service revenue is principally generated through the sale or license of media content and the associated management services, video and audio programming, applications and video games to customers in the aviation, maritime and non-theatrical markets.

Licensing Revenues

- *Film, Audio, and Television licensing* - The Company selects, procures, manages, and distributes video and audio programming, and provides similar applications to the airline, maritime and other "away from home" non-theatrical markets. The Company delivers content compatible with Global Eagle systems as well as compatible with a multitude of third-party in-flight entertainment ("IFE") systems. The Company acquires non-theatrical licenses from major Hollywood, independent and international film and television producers and distributors, and licenses the content to airlines, maritime companies, non-theatrical customers, and other content service providers. In addition to the content licenses, the Company provides the content literature for seat-back inflight magazines, trailers for the website, and metadata for the Inflight Entertainment systems ("IFE systems"). Revenue recognition is dependent on the nature of the customer contract. Content licenses to customers are typically categorized into usage-based or flat-fee based fee structures. For usage-based fee structures, revenue is recognized as the usage occurs. For flat-fee based structures revenue is recognized upon the available date of the license, which is typically at the beginning of each cycle, or straight-line over the license period.
- *Games and applications licensing* - The Company produces games customized to suit the in-flight environment. The Company acquires multi-year licenses from game publishers to adapt third-party-branded games and concepts for in-flight use. The Company also licenses applications for use on airline customers' IFE systems. These applications allow airlines the ability to present information and products to its customers (*i.e.*, passengers) such as their food and beverage menu offerings, magazine content, and flight locations. Games and applications licenses are operated under usage or flat-fee based fee structures. Revenue recognition is dependent on the nature of the customer contract. Content licenses to customers are typically categorized into usage-based or flat-fee based fee structures. For usage-based fee structures, revenue is recognized as the usage occurs. For flat-fee based structures revenue is recognized upon the available date of the license, which is typically at the beginning of each cycle, or straight-line over the license period.

Services Revenues

- *Advertising Services* - The Company sells airline advertisement spots to customers through the use of insertion orders with terms typically ranging between one and six months. The Company typically prices advertisements based on a total guaranteed number of impressions within a predetermined play cycle for the advertisement. Pricing is also dependent on the type of advertisement (*e.g.*, pop-up, banner, etc.) and the type of media platform on which the advertisement will be displayed (*e.g.*, airport lounge or IFE system). The total number of impressions are estimated upfront, based on reported flight levels and passenger data supplied by airlines. The Company acquires these advertising distribution rights from airlines via supplier agreements. These supplier agreements with airlines are normally revenue-share arrangements which provide the Company with exclusive distribution rights for the airline advertising spots and can also include a minimum guarantee payment from the Company to the airline. These agreements with airlines are generally for one to three year terms. Revenue is recognized over time as the advertisements are played and/or when the committed advertisement impressions have been delivered, which is generally spread evenly throughout the term and often the Company continues to display the advertisement after the minimum number of impressions is met. When the Company enters into revenue-sharing arrangements with the airlines, the Company evaluates whether it is the principal or agent in the

arrangement with the airline. When the Company is considered the principal it reports the underlying revenue on a gross basis in its Consolidated Statements of Operations, and records these revenue-sharing payments to the airline in service costs. When the Company acts as an agent in the arrangement, the associated revenues are recorded net.

- *Lab Services* - The Company addresses a variety of technical customer needs relating to content regardless of the particular IFE system being used. Content acquired from studios and producers is normally provided to the Company in certain languages, aspect ratios, and file sizes, whereas the Company's customers (*e.g.*, airlines) have IFE systems requiring certain aspect ratios and file sizes, and they request content in various languages for their global passenger base. The Company's technical services include encoding, editing and metadata services, as well as language subtitle and dubbing services, and are generally performed in-house in the Company's technical facilities (collectively, "Lab Services"). Lab Services are typically priced on a flat fee per month, ad hoc basis, or included in the content pricing. Revenue is recognized when the Lab Services performance obligation is complete and the underlying content has been accepted by and made available to the customer, both of which typically occur on the license available date of the respective content.
- *Ad Hoc Services* - The Company may perform additional non-recurring implementation, configuration, interactive development or other ad hoc services connected with the games and applications delivery. These services include embedding of customer logo(s) and population of content within applications (*e.g.*, food and beverage content within the Company's eMealMenu application).

Connectivity

Aviation Services Revenue - Services revenue for Connectivity includes satellite-based Internet services and related technical and network operational support and management services and live television. The connectivity services provide airlines with the capability to provide its passengers' wireless access to the Internet, enabling them to web-surf, email, text, and access live television. The connectivity experience also permits passengers to enjoy inflight entertainment, such as streaming for non-live television, and movies and video-on-demand, delivered through a web-based framework from an initial "landing page". The revenue is recognized over time as control is transferred to the customer (*i.e.*, the airline), which occurs continuously as customers receive the bandwidth/connectivity services.

Aviation Equipment Revenue - Equipment revenue is recognized when control passes to the customer, which occurs at the later of shipment of the equipment to the customer and obtaining the Supplemental Type Certificates ("STC"). In determining whether an arrangement exists, the Company ensures that a binding arrangement is in place, such as a purchase order or a fully executed customer-specific agreement. The Company generally believes the acceptance clauses in its contracts are perfunctory and will recognize revenue upon shipment provided that all other criteria have been met, including delivery of the STCs. In certain cases where the Company sells its equipment to an aviation customer on a stand-alone basis, it may charge a fee for obtaining STCs from the relevant aviation regulatory body, which permits the Company's equipment to operate on certain model/type of aircraft. An STC is highly interrelated with the connectivity services as it is often required for new equipment and/or for new types of aircrafts prior to the airlines installing the equipment. When an STC is required it would not be sold separately as it has no value to the customer without the equipment and vice versa. As such, in such circumstances, the Company does not consider an STC separate from the equipment. To the extent that the Company contracts to charge STC fees in equipment-only sales, the Company will record these fees as revenue at the later of shipment of the equipment to the customer and obtaining the STC.

Maritime and Land Service Revenue - The Maritime business provides satellite telecommunications services ("connectivity services") through the Company's private network that utilizes very small aperture terminal ("VSAT") satellite technology for cruise ships and ferries, commercial shipping companies, yachts, and offshore drilling platforms. The technology enables voice and data capabilities to customers with ocean-going vessels or ocean-based environments. For certain cruise ship customers, the Company also offers maritime live television services ("TV services"). The service offerings cover a wide range of end-to-end network service combinations for customers' point-to-point and point-to-multipoint telecommunications needs. These offerings range from simple connections to customized private network solutions through a network that uses "multiple channel per carrier" or "single channel per carrier" technology with bandwidth satellite capacity and fiber optic infrastructure. The business also offers teleport services through its proprietary teleports located in Germany and the US. In conjunction with its connectivity services, the Company also provides equipment to the customer, as part of the service, for which the Company retains ownership of the equipment throughout the term of the service. Revenue is recognized over time in accordance with the transfer of control, which is continuously as the customer receives the bandwidth/ connectivity services. Certain of the Company's contracts involve a revenue sharing or

reseller arrangement to distribute the connectivity services. The Company assesses these services under the principal versus agent criteria and has determined that the Company acts in the role of an agent and accordingly records such revenues on a net basis.

Maritime and Land Installation Revenue - To service its marine and land-based customers, the Company operates a network of global field-support centers for installation and repair services. The Company has field support centers in several locations worldwide, several of which offer a spare parts inventory, a network operations center that is open 24/7, certified technicians, system integration and project management. These field centers provide third-party antenna and ship-based system integration, global installation support, and repair services. Revenue is recognized in accordance with the transfer of control, *i.e.*, over-time as labor hours are incurred in the provision of installation services.

Maritime and Land Equipment Revenue - Equipment revenue is recognized when control passes to the customer, which, depending on the contractual arrangement with the customer, is generally upon shipment or arrival/acceptance at destination. Maritime and land equipment is generally priced as a one-time upfront payment at its standalone selling price (“SSP”).

Significant Judgments

Judgment is required to determine the stand-alone selling price (“SSP”) for each distinct performance obligation under contracts where the Company provides multiple deliverables. In instances where SSP is not directly observable, such as when the Company does not sell the product or service separately, the Company determines the SSP using information that may include the adjusted market assessment approach, expected cost plus margin approach, or the residual approach. For the Media & Content segment, management sets prices for each performance obligation using an adjusted market assessment approach when entering into contracts. Contract prices reflect the standalone selling price. As such, the Company uses the stated contract price for SSP allocation of the transaction price.

Topic 606 requires the Company to estimate variable consideration. Service Level Agreement (“SLA”) or service issue/outage credits which are considered variable consideration (*i.e.*, customer credits), require estimation, including the use of historical credit levels. These credits have historically not been material in the context of the customer contracts for the non-aviation businesses within the Connectivity segment or for the Media & Content segment.

Valuation of Goodwill and Intangible Assets

The Company performs valuations of assets acquired and liabilities assumed on each acquisition accounted for as a business combination, and allocates the purchase price of each acquired business to its respective net tangible and intangible assets and liabilities. Acquired intangible assets principally consist of technology, customer relationships, backlog and trademarks. Liabilities related to intangibles principally consist of unfavorable vendor contracts. The Company determines the appropriate useful life by performing an analysis of expected cash flows based on projected financial information of the acquired businesses. Intangible assets are amortized over their estimated useful lives using the straight-line method, which approximates the pattern in which the majority of the economic benefits are expected to be consumed. Intangible liabilities are amortized into cost of sales ratably over their expected related revenue streams over their useful lives.

Goodwill represents the excess of the cost of an acquired entity over the fair value of the acquired net assets. The Company does not amortize goodwill but evaluates it for impairment at the reporting unit level annually during the fourth quarter of each fiscal year (as of October 1 of that quarter) or when an event occurs or circumstances change that indicates the carrying value may not be recoverable. During the first quarter of 2017, the Company adopted ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment*. Under the then newly adopted guidance, the optional qualitative assessment, referred to as “Step 0”, and the first step of the quantitative assessment (“Step 1”) remained unchanged versus the prior accounting standard. However, the requirement under the prior standard to complete the second step (“Step 2”), which involved determining the implied fair value of goodwill and comparing it to the carrying amount of that goodwill to measure the impairment loss, was eliminated. As a result, Step 1 will be used to determine both the existence and amount of goodwill impairment. An impairment loss will be recognized for the amount by which the reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit.

The Company periodically analyzes whether any indicators of impairment have occurred. As part of these periodic analyses, the Company compares its estimated fair value, as determined based on its stock price, to its net book value.

Income Taxes

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of assets and liabilities and the amounts that are reported in the income tax returns. Deferred taxes are evaluated for realization on a jurisdictional basis. The Company records valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. In making this assessment, management analyzes future taxable income, reversing temporary differences and ongoing tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizability of deferred tax assets in future years, the Company will adjust related valuation allowances in the period that the change in circumstances occurred, along with a corresponding increase or charge to income.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the Company's position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized. The amount of unrecognized tax benefits is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax laws, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. The Company recognizes both accrued interest and penalties associated with uncertain tax positions as a component of Income tax (benefit) expense in the condensed consolidated statements of operations.

In December 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

The Tax Act also adds many new provisions including changes to bonus depreciation, the deduction for executive compensation and interest expense, a tax on global intangible low-taxed income ("GILTI"), the base erosion anti-abuse tax ("BEAT") and a deduction for foreign-derived intangible income ("FDII"). Many of these provisions, including the tax on GILTI, the BEAT and the deduction for FDII will not begin to apply to the Company until taxes are assessed on its 2018 fiscal year. As such, the Company is continuing to assess the impact these provisions may have on the Company's future earnings.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of generally accepted accounting principles in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act.

We have estimated the impacts of the Tax Act in accordance with SAB 118. As of June 30, 2018, we have estimated an income tax benefit impact of \$4.6 million for the year ended December 31, 2017, reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent, and are expecting no tax impact related to the estimated repatriation toll charge of \$18.5 million, which was fully offset by the net operating loss generated in 2017. As of June 30, 2018, our management is continuing to evaluate the effects of the Tax Act provisions, but we do not expect a material positive or negative impact to our 2017 tax positions.

Fair Value Measurements

The accounting guidance for fair value establishes a framework for measuring fair value and establishes a three-level valuation hierarchy for disclosure of fair value measurement. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1: Observable quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models, and similar techniques.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assets and liabilities that are fair valued on a recurring basis are

described below and contained in the following tables. In addition, on a non-recurring basis, the Company may be required to record other assets and liabilities at fair value. These non-recurring fair value adjustments involve the lower of carrying value or fair value accounting and write-downs resulting from impairment of assets.

The following tables summarize our financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2018, and December 31, 2017, respectively (dollar values in thousands, other than per-share values):

	June 30, 2018	Quotes Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Earn-out liability ⁽¹⁾	\$ 114	\$ —	\$ —	\$ 114
Contingently issuable shares ⁽³⁾	1,559	—	—	1,559
Total	\$ 1,673	\$ —	\$ —	\$ 1,673

	December 31, 2017	Quotes Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Earn-out liability ⁽¹⁾	\$ 114	\$ —	\$ —	\$ 114
Liability Warrants ⁽²⁾	20	—	—	20
Contingently issuable shares ⁽³⁾	1,448	—	—	1,448
Total	\$ 1,582	\$ —	\$ —	\$ 1,582

(1) Represents aggregate earn-out liabilities assumed in business combinations for the year ended December 31, 2015.

(2) Includes 6,173,228 Public SPAC Warrants (as defined below) outstanding at December 31, 2017, which expired on January 31, 2018 and are no longer exercisable.

(3) In connection with the Sound-Recording Settlements (as described below in [Note 9. Commitments and Contingencies](#)), the Company is obligated to issue to UMG (as defined in that Note) 500,000 shares of its common stock when and if the closing price of the Company's common stock exceeds \$10.00 per share and an additional 400,000 shares of common stock when and if the closing price of the Company's common stock exceeds \$12.00 per share. Such contingently issuable shares are classified as liabilities and are re-measured to fair value each reporting period.

Public SPAC Warrants. The Company's publicly-traded warrants (the "Public SPAC Warrants") issued in the Company's initial public offering in 2011 (which were recorded as derivative warrant liabilities) expired on January 31, 2018 and are no longer exercisable. For the six months ended June 30, 2018 and 2017 the Company recorded income of less than \$0.1 million and \$0.2 million, respectively, due to the change in the fair value of these warrants. The change in value of these Public SPAC Warrants is included in the change in fair value of derivatives in the condensed consolidated statements of operations.

The following table presents the fair value roll-forward reconciliation of Level 3 assets and liabilities measured at fair value basis for the six months ended June 30, 2018 (in thousands):

	Liability Warrants	Contingently Issuable Shares	Earn-Out Liabilities
Balance as of December 31, 2017	\$ 20	\$ 1,448	\$ 114
Change in value	(20)	111	—
Balance as of June 30, 2018	\$ —	\$ 1,559	\$ 114

The following table shows the carrying amounts and the fair values of our long-term debt in the condensed consolidated financial statements at June 30, 2018 and December 31, 2017, respectively (in thousands):

	June 30, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior secured term loan facility, due January 2023 ⁽⁺⁾⁽¹⁾	484,375	491,641	490,625	486,945
Senior secured revolving credit facility, due January 2022 ⁽⁺⁾⁽²⁾	—	—	78,000	78,000
2.75% convertible senior notes due 2035 ⁽¹⁾⁽³⁾	82,500	60,380	82,500	43,313
Second Lien Notes, due June 2023 ⁽⁴⁾⁽⁵⁾	150,000	132,948	—	—
Other debt ⁽⁶⁾	5,183	5,183	9,075	9,075
Unamortized bond discounts and issue costs	(68,936)	—	(41,136)	—
	653,122	690,152	619,064	617,333

(+) This facility is a component of the 2017 Credit Agreement.

(1) The estimated fair value is classified as Level 2 financial instrument and was determined based on the quoted prices of the instrument in a similar over-the-counter market.

(2) The estimated fair value is considered to approximate carrying value given the short-term maturity and is classified as Level 3 financial instruments. In the second quarter of 2018, we used a portion of the proceeds of the issuance of our Second Lien Notes to repay the then outstanding \$78 million principal balance on our revolving credit facility. We expect to draw on the revolving credit facility from time to time to fund our working capital needs and for other general corporate purposes.

(3) The fair value of the 2.75% convertible senior notes due 2035 is exclusive of the conversion feature therein, which was originally allocated for reporting purposes at \$13.0 million, and is included in the condensed consolidated balance sheets within “Additional paid-in capital” (see [Note 11. Common Stock, Stock-Based Awards and Warrants](#)). The principal amount outstanding of the 2.75% convertible senior notes due 2035 was \$82.5 million as of June 30, 2018, and the carrying amounts in the foregoing table reflect this outstanding principal amount net of debt issuance costs and discount associated with the equity component.

(4) The principal amount outstanding of the Second Lien Notes, due 2023 as set forth in the foregoing table was \$150.0 million as of June 30, 2018, and is not the carrying amount of the indebtedness (*i.e.* outstanding principal amount net of debt issuance costs and discount associated with the equity component). The value allocated to the attached penny warrants and market warrants for financial reporting purposes was \$14.9 million and \$9.3 million, respectively. These qualify for classification in stockholders’ equity and are included in the condensed consolidated balance sheets within “Additional paid-in capital” (see [Note 8. Financing Arrangements](#)).

(5) The fair value of the Second Lien Notes was determined based on a Black-Derman-Toy interest rate Lattice model. The key inputs of the valuation model contain certain Level 3 inputs.

(6) The estimated fair value is considered to approximate carrying value given the short-term maturity and is classified as Level 3 financial instruments.

Adoption of New Accounting Pronouncements

On January 1, 2018, we adopted ASU 2014-09 and all related amendments and applied the concepts to all contracts using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings. The 2017 comparative information has not been restated and continues to be reported under the accounting standards in effect for those prior periods. See [Note. 3 Revenue](#).

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which requires that a statement of cash flows explains the change during the period in cash, cash equivalents, and amounts generally described as restricted cash. Amounts generally described as restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We adopted the standard effective January 1, 2018 and as a result we reclassified the presentation of our statement of cash flows for the six months ended June 30, 2017 for restricted cash balances. For the six months ended June 30, 2017, adopting the standard resulted in an increase to our beginning-of-period and end-of-period cash, cash equivalents and restricted cash of \$18.0 million and \$1.2 million in the condensed consolidated statements of cash flows, respectively. In addition, removing the change in restricted cash from operating and investing activities in the condensed consolidated statements of cash flows resulted in a decrease of \$16.3 million and \$0.6

million in our cash used in operating activities and cash used in investing activities, respectively, for the six months ended June 30, 2017.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*, which requires the recognition of income tax effects of intra-entity transfers of assets other than inventory when the transfer occurs. Prior GAAP standards prohibited the recognition of those tax effects until the asset had been sold to an outside party. We adopted the standard effective January 1, 2018. The adoption of this standard did not have a material impact on our condensed consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15")*, which amends Accounting Standards Codification 230, Statement of Cash Flows, the FASB's standards for reporting cash flows in general-purpose financial statements. The amendments address the diversity in practice related to the classification of certain cash receipts and payments including contingent consideration payments made after a business combination and debt prepayment or debt extinguishment costs. ASU 2016-15 is effective for fiscal years, and interim periods within, beginning after December 15, 2017. We adopted the standard effective January 1, 2018. The adoption of this standard did not have a material impact on our condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). This update will require lease assets and lease liabilities to be recognized on the balance sheet and disclosure of key information about leasing arrangements. ASU 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. We have decided to adopt ASU 2016-02 effective in the first quarter of 2019. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded effects resulting from the Tax Act. The ASU is effective for the Company beginning January 1, 2019, with early adoption permitted. We intend to adopt the ASU effective January 1, 2019. Management is currently evaluating the impact of this standard on our condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, which introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments rather than incurred losses. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. The ASU is effective for the Company beginning January 1, 2020, with early adoption permitted. Management continues to evaluate the impact of this standard on our condensed consolidated financial statements.

Note 3. Revenue

On January 1, 2018, we adopted ASU 2014-09 using the modified retrospective method and applied it to contracts which were not completed as of January 1, 2018. The following table presents the effect of the adoption of ASU 2014-09 on our consolidated balance sheet as of June 30, 2018 (in thousands):

	June 30, 2018			
	<i>Without ASC 606 Adoption</i>	<i>Effect of change</i>	<i>Increase/ (Decrease)</i>	<i>As Reported</i>
Cash and cash equivalents	\$ 37,403	—	\$ 37,403	
Restricted cash	5,390	—	5,390	
Accounts receivable, net	105,054	(1,639)	103,415	
Inventories	32,719	—	32,719	
Prepaid expenses	16,949	—	16,949	
Other current assets	21,482	—	21,482	
TOTAL CURRENT ASSETS	218,997	(1,639)	217,358	
Content library	8,101	—	8,101	
Property, plant and equipment	190,716	—	190,716	
Goodwill	159,610	—	159,610	
Intangible assets, net	101,659	—	101,659	
Equity method investments	135,430	—	135,430	
Other non-current assets	8,284	3,319	11,603	
TOTAL ASSETS	<u>\$ 822,797</u>	<u>1,680</u>	<u>\$ 824,477</u>	
Accounts payable and accrued liabilities	\$ 189,851	(1,620)	\$ 188,231	
Deferred revenue	8,347	125	8,472	
Current portion of long-term debt	19,595	—	19,595	
Other current liabilities	9,661	—	9,661	
TOTAL CURRENT LIABILITIES	227,454	(1,495)	225,959	
Deferred revenue, non-current	1,089	—	1,089	
Long-term debt	633,527	—	633,527	
Deferred tax liabilities	8,590	—	8,590	
Other non-current liabilities	34,455	—	34,455	
TOTAL LIABILITIES	<u>905,115</u>	<u>(1,495)</u>	<u>903,620</u>	
Preferred stock	—	—	—	
Common stock	10	—	10	
Treasury stock	(30,659)	—	(30,659)	
Additional paid-in capital	809,369	—	809,369	
Subscriptions receivable	(591)	—	(591)	
Prior year accumulated deficit	(773,791)	933	(772,858)	
	(86,435)	2,242	(84,193)	
Current year retained deficit				
Accumulated other comprehensive loss	(221)	—	(221)	
TOTAL STOCKHOLDERS' DEFICIT	<u>(82,318)</u>	<u>3,175</u>	<u>(79,143)</u>	
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	<u>\$ 822,797</u>	<u>1,680</u>	<u>\$ 824,477</u>	

The following table presents the effect of the adoption of ASU 2014-09 on our condensed consolidated statements of operations for the three months ended June 30, 2018 (in thousands, except per share amounts):

	Three Months Ended June 30, 2018		
	<i>Without ASC 606 Adoption</i>	<i>Effect of change</i> <i>Increase/ (Decrease)</i>	<i>As Reported</i>
Revenue:			
Licensing and services	\$ 156,123	305	\$ 156,428
Equipment	9,534	—	9,534
Total revenue	<u>165,657</u>	<u>305</u>	<u>165,962</u>
Cost of Sales			
Cost of sales:			
Licensing and services	122,720	(416)	122,304
Equipment	4,405	22	4,427
Total cost of sales	<u>127,125</u>	<u>(394)</u>	<u>126,731</u>
Gross Margin	38,532	699	39,231
Operating expenses:			
Sales and marketing	10,840	37	10,877
Product development	11,494	(1,622)	9,872
General and administrative	29,799	—	29,799
Provision for legal settlements	(141)	—	(141)
Amortization of intangible assets	<u>10,357</u>	<u>—</u>	<u>10,357</u>
Total operating expenses	<u>62,349</u>	<u>(1,585)</u>	<u>60,764</u>
Loss from operations	<u>(23,817)</u>	<u>2,284</u>	<u>(21,533)</u>
Other income (expense):			
Interest expense, net	(19,755)	—	(19,755)
Income from equity method investments	428	—	428
Change in fair value of derivatives	(655)	—	(655)
Other expense, net	<u>(673)</u>	<u>—</u>	<u>(673)</u>
Loss before income taxes	<u>(44,472)</u>	<u>2,284</u>	<u>(42,188)</u>
Income tax expense	<u>3,722</u>	<u>—</u>	<u>3,722</u>
Net loss	<u>\$ (48,194)</u>	<u>2,284</u>	<u>\$ (45,910)</u>
Net loss per share – basic and diluted	<u>(0.53)</u>		<u>(0.50)</u>
Weighted average shares outstanding – basic and diluted	<u>\$ 91,057</u>		<u>\$ 91,057</u>

The following table presents the effect of the adoption of ASU 2014-09 on our condensed consolidated statements of operations for the six months ended June 30, 2018 (in thousands, except per share amounts):

	Six Months Ended June 30, 2018		
	<i>Without ASC 606 Adoption</i>	<i>Effect of change Increase/ (Decrease)</i>	<i>As Reported</i>
Revenue:			
Licensing and services	\$ 303,306	(352)	\$ 302,954
Equipment	19,505	—	19,505
Total revenue	<u>322,811</u>	<u>(352)</u>	<u>322,459</u>
Cost of Sales			
Cost of sales:			
Licensing and services	235,653	(858)	234,795
Equipment	10,371	44	10,415
Total cost of sales	<u>246,024</u>	<u>(814)</u>	<u>245,210</u>
Gross Margin	76,787	462	77,249
Operating expenses:			
Sales and marketing	20,477	15	20,492
Product development	20,001	(1,795)	18,206
General and administrative	68,235	—	68,235
Provision for legal settlements	375	—	375
Amortization of intangible assets	<u>20,920</u>	<u>—</u>	<u>20,920</u>
Total operating expenses	<u>130,008</u>	<u>(1,780)</u>	<u>128,228</u>
Loss from operations	<u>(53,221)</u>	<u>2,242</u>	<u>(50,979)</u>
Other income (expense):			
Interest expense, net	(35,352)	—	(35,352)
Income from equity method investments	1,589	—	1,589
Change in fair value of derivatives	(91)	—	(91)
Other expense, net	<u>(347)</u>	<u>—</u>	<u>(347)</u>
Loss before income taxes	<u>(87,422)</u>	<u>2,242</u>	<u>(85,180)</u>
Income tax benefit	<u>(987)</u>	<u>—</u>	<u>(987)</u>
Net loss	<u>\$ (86,435)</u>	<u>2,242</u>	<u>\$ (84,193)</u>
Net loss per share – basic and diluted	<u>\$ (0.95)</u>		<u>\$ (0.93)</u>
Weighted average shares outstanding – basic and diluted	<u>90,925</u>		<u>90,925</u>

The following table represents a disaggregation of our revenue from contracts with customers for the three and six months ended June 30, 2018 and 2017 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Media & Content				
Licensing & Services	\$ 83,455	\$ 74,566	\$ 158,369	\$ 150,945
Total Media & Content	83,455	74,566	158,369	150,945
Connectivity				
Aviation Services	\$ 29,423	\$ 29,439	\$ 58,749	\$ 57,634
Aviation Equipment	6,712	7,154	14,310	13,718
Maritime & Land Services	43,550	42,143	85,836	81,211
Maritime & Land Equipment	2,822	2,440	5,195	4,826
Total Connectivity	82,507	81,176	164,090	157,389
Total revenue	\$ 165,962	155,742	\$ 322,459	\$ 308,334

Contract Assets and Liabilities

Aviation connectivity contracts involve performance obligations primarily relating to the delivery of connectivity equipment and connectivity services. The connectivity equipment can be provided at a discount and is delivered upfront while the connectivity services are rendered and paid over time. Revenue is allocated based upon the SSP methodology. Where the SSP exceeds the revenue allocation, the revenue to which the Company is entitled is contingent on performing the ongoing connectivity services and the Company records a contract asset accordingly. The balance as of June 30, 2018 and December 31, 2017 of contract contingent revenue was not material.

For some customer contracts we may invoice upfront for services recognized over time or for contracts in which we have unsatisfied performance obligations. Payment terms and conditions vary by contract type, although terms generally include payment terms of 30 to 45 days. In the above circumstances where the timing of invoicing differs from the timing of revenue recognition, we have determined our contracts do not include a significant financing component.

The following table summarizes the significant changes in the contract liabilities balances during the period to June 30, 2018 (in thousands);

	Contract Liabilities
Balance as of December 31, 2017	\$ 7,587
Adjustments as a result of cumulative catch-up adjustment	(118)
Revenue recognized that was included in the contract liability balance at the beginning of the period	(5,535)
Increase due to cash received, excluding amounts recognized as revenue during the period	7,627
Balance as of June 30, 2018	\$ 9,561
Deferred revenue, current	\$ 8,472
Deferred revenue, non-current	1,089
	\$ 9,561

As of June 30, 2018, we had \$1.1 billion of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 16% of our remaining performance obligations as revenue in 2018, an additional 33% by 2020 and the balance thereafter.

Accounts Receivable, net

We extend credit to our customers from time to time. We maintain an allowance for doubtful accounts for estimated losses resulting from our customers' inability to make required payments. Management analyzes the age of customer balances, historical bad debt experience, customer creditworthiness and changes in customer payment terms when making estimates of the collectability of our accounts receivable balances. If we determine that the financial condition of any of our customers has deteriorated, whether due to customer specific or general economic issues, an increase in the allowance may be made. After all attempts to collect a receivable have failed, the receivable is written off.

Accounts receivable consist of the following (in thousands):

	June 30, 2018	December 31, 2017
Accounts receivable, gross	\$ 107,570	\$ 122,225
Less: Allowance for doubtful accounts	(4,155)	(8,680)
Accounts receivable, net	<u>\$ 103,415</u>	<u>\$ 113,545</u>

Movements in the balance for bad debt reserve and sales allowance for the six months ended June 30, 2018 and 2017 are as follows (in thousands):

	Six Months Ended June 30, 2018	
	2018	2017
Beginning balance	\$ 8,680	\$ 10,091
(Recovery) additions charged to statements of operations	(802)	2,372
Less: Bad debt write offs	(3,723)	1,858
Ending balance	<u>\$ 4,155</u>	<u>\$ 14,321</u>

Capitalized Contract Costs

Certain of our sales incentive programs meet the requirements to be capitalized as incremental costs of obtaining a contract. We recognize an asset for the incremental costs if we expect the benefit of those costs to be longer than one year and amortize those costs over the expected customer life. We apply a practical expedient to expense costs as incurred for costs to obtain a contract when the amortization period would have been one year or less.

Additionally, we capitalize assets associated with costs incurred to fulfill a contract with a customer. For example, we capitalize the costs incurred to obtain necessary STC or other customer-specific certifications for our aviation, maritime and land customers.

The following table summarizes the significant changes in the contract assets balances during the period ended June 30, 2018 (in thousands);

	Contract Assets		
	Costs to Obtain	Costs to Fulfill	Total
Balance as of December 31, 2017	\$ —	\$ —	\$ —
Increases as a result of cumulative catch-up adjustment	120	810	930
Capitalization during period	—	2,448	2,448
Amortization	(15)	(44)	(59)
Balance as of June 30, 2018	<u>\$ 105</u>	<u>\$ 3,214</u>	<u>\$ 3,319</u>

Contract assets are included within Other current assets on our condensed consolidated balance sheet.

Practical Expedients, Policy Elections and Exemptions

In circumstances where shipping and handling activities occur subsequent to the transfer of control, we have elected to treat shipping and handling as a fulfillment activity rather than a service to the customer.

We have made a policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer (e.g., sales, use, value added, and some excise taxes).

We apply a practical expedient to expense costs as incurred for incremental costs to obtain a contract when the amortization period would have been one year or less and did not evaluate contracts of one year or less for variable consideration.

Note 4. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following (in thousands):

	June 30, 2018	December 31, 2017
Leasehold improvements	\$ 6,756	\$ 6,869
Furniture and fixtures	2,147	2,187
Equipment	147,673	128,046
Computer equipment	15,193	10,661
Computer software	33,147	31,518
Automobiles	304	311
Buildings	7,951	6,744
Albatross (Company-owned aircraft)	447	447
Satellite transponder	65,671	79,097
Construction in-progress	9,955	3,370
Total property, plant and equipment	289,244	269,250
Accumulated depreciation	(98,528)	(74,221)
Property, plant and equipment, net	\$ 190,716	\$ 195,029

Depreciation expense, including software amortization expense, by classification consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of sales	\$ 11,475	\$ 7,378	\$ 19,557	\$ 13,592
Sales and marketing	1,065	622	1,830	1,453
Product development	967	607	1,629	1,184
General and administrative	2,925	2,582	6,099	5,283
Total depreciation expense	\$ 16,432	\$ 11,189	\$ 29,115	\$ 21,512

Note 5. Goodwill

Prior to the Company's acquisition of Emerging Markets Communications ("EMC") on July 27, 2016 (the "EMC Acquisition"), the Company's business consisted of two operating segments: Content and Connectivity. Following the EMC Acquisition, the acquired EMC business became our then third operating segment called Maritime & Land Connectivity, and we renamed our other two segments to be Media & Content and Aviation Connectivity. However, in the second quarter of 2017, our chief executive officer, who is our chief operating decision maker (our "CODM"), determined to reorganize our business

from three operating segments back into two operating segments—Media & Content and Connectivity. However, we continue to have three separate reporting units for purposes of our goodwill impairment testing.

The changes in the carrying amount of goodwill by segment were as follows (in thousands):

	Aviation Connectivity Reporting Unit	Maritime & Land Connectivity Reporting Unit	Media & Content	Total
Balance as of December 31, 2017				
Gross carrying amount	\$ 98,037	\$ 209,130	\$ 83,529	\$ 390,696
Accumulated impairment loss	<u>(44,000)</u>	<u>(187,000)</u>	<u>—</u>	<u>(231,000)</u>
Balance at December 31, 2017, net	<u>54,037</u>	<u>22,130</u>	<u>83,529</u>	<u>159,696</u>
Impairment loss	—	—	—	—
Foreign currency translation adjustments	<u>(15)</u>	<u>—</u>	<u>(71)</u>	<u>(86)</u>
Balance as of June 30, 2018	<u>\$ 54,022</u>	<u>\$ 22,130</u>	<u>\$ 83,458</u>	<u>\$ 159,610</u>
Balance as of June 30, 2018				
Gross carrying amount	98,022	209,130	83,458	390,610
Accumulated impairment loss	<u>(44,000)</u>	<u>(187,000)</u>	<u>—</u>	<u>(231,000)</u>
Balance at June 30, 2018, net	<u>\$ 54,022</u>	<u>\$ 22,130</u>	<u>\$ 83,458</u>	<u>\$ 159,610</u>

Goodwill Impairments

For the quarter ended March 31, 2017, the Company identified a triggering event due to a significant decline in the market capitalization of the Company. Accordingly, the Company assessed the fair value of its three reporting units as of March 31, 2017 and recorded a goodwill impairment charge of \$78.0 million related to its Maritime & Land Connectivity reporting unit. This impairment was primarily due to lower than expected financial results of the reporting unit during the three months ended March 31, 2017 due to delays in new maritime installations, slower than originally estimated execution of EMC Acquisition-related synergies and other events that occurred in the first quarter of 2017. Given these indicators, the Company then determined that there was a higher degree of uncertainty in achieving its financial projections for this unit and as such, increased its discount rate, which reduced the fair value of the unit.

For the quarter ended December 31, 2017, we again identified a triggering event due to a further decline in our market capitalization, which we believe was driven by investor uncertainty around our liquidity position and our then delinquent SEC filing status. Consequently, we performed another assessment of the fair value of our three reporting units as of December 31, 2017. In performing that reassessment, we adjusted the assumptions used in the impairment analysis and increased the discount rate used in the impairment model, which negatively impacted the fair value of the Maritime & Land Connectivity and Aviation Connectivity reporting units. Following this analysis, we determined that the fair value of the Media & Content reporting unit exceeded its carrying value, while the fair values of the Maritime & Land Connectivity and Aviation Connectivity reporting units were below their carrying values. As such, we recorded impairment charges of \$45.0 million and \$44.0 million in our Maritime & Land Connectivity and Aviation Connectivity reporting units, respectively, during the fourth quarter of 2017. The key assumptions underlying our valuation model used for accounting purposes, as described above, were updated to reflect the delays in realizing anticipated EMC Acquisition-related synergies that impacted both the Maritime & Land Connectivity and Aviation Connectivity reporting units. Additionally, network expansion to meet current and anticipated new customer demand caused a step-up in bandwidth costs in our Maritime & Land and Aviation Connectivity reporting units.

Our total goodwill impairment recorded for the full year ended December 31, 2017 was \$167.0 million.

As of June 30, 2018 we completed a qualitative goodwill impairment assessment in accordance with ASC 350 and concluded that no impairment trigger existed and no impairment to our goodwill balance was required as of June 30, 2018. Our Maritime &

Land Connectivity reporting unit, which is included in our Connectivity segment, had negative carrying amounts of assets. As of June 30, 2018, remaining goodwill allocated to this reporting unit was \$22.1 million.

Note 6. Intangible Assets, net

As a result of historical business combinations, the Company acquired finite-lived intangible assets that are primarily amortized on a straight-line basis and the values of which approximate their expected cash flow patterns. The Company's finite-lived intangible assets have assigned useful lives ranging from 2.0 to 10.0 years (weighted average of 7.1 years).

Intangible assets, net consisted of the following (dollars in thousands):

	Weighted Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	June 30, 2018
Existing technology -- software	4.8	\$ 42,299	\$ 24,693	\$ 17,606	
Developed technology	8.0	7,317	4,344	2,973	
Customer relationships	8.1	166,616	92,848	73,768	
Backlog	3.0	18,300	11,692	6,608	
Other	5.0	2,391	1,687	704	
Total		<u>\$ 236,923</u>	<u>\$ 135,264</u>	<u>\$ 101,659</u>	

	Weighted Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	December 31, 2017
Existing technology -- software	4.8	\$ 42,999	\$ 20,209	\$ 22,790	
Existing technology -- games	5.0	12,331	12,125	206	
Developed technology	8.0	7,317	3,887	3,430	
Customer relationships	7.9	170,716	85,160	85,556	
Backlog	3.0	18,300	8,642	9,658	
Other	4.5	2,746	1,804	942	
Total		<u>\$ 254,409</u>	<u>\$ 131,827</u>	<u>\$ 122,582</u>	

We expect to record amortization of intangible assets as follows (in thousands):

Year ending December 31,	Amount
2018 (remaining six months)	\$ 17,521
2019	28,647
2020	22,263
2021	13,824
2022	7,907
Thereafter	11,497
Total	<u>\$ 101,659</u>

We recorded amortization expense of \$10.4 million and \$10.9 million for the three months ended June 30, 2018 and 2017, respectively, and \$20.9 million and \$21.9 million for the six months ended June 30, 2018 and 2017, respectively.

Note 7. Equity Method Investments

In connection with the EMC Acquisition, the Company acquired 49% equity interests in each of its WMS and Santander joint ventures (which equity-interests EMC owned at the time of the EMC Acquisition). These investments are accounted for using the equity method of accounting, under which our results of operations include our share of the income of WMS and Santander in Income from equity method investments in our condensed consolidated statements of operations.

Following is the summarized balance sheet information for these equity method investments on an aggregated basis as of June 30, 2018 and December 31, 2017 (in thousands):

	June 30, 2018	December 31, 2017
Current assets	\$ 37,257	\$ 35,859
Non-current assets	23,247	21,009
Current liabilities	16,626	15,151
Non-current liabilities	2,930	1,056

Following is the summarized results of operations information for these equity method investments on an aggregated basis for the three and six months ended June 30, 2018 and 2017 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	\$ 29,068	\$ 32,986	\$ 64,905	\$ 67,419
Net income	4,200	4,527	10,098	10,975

The carrying values of the Company's equity interests in WMS and Santander as of June 30, 2018 and December 31, 2017 were as follows (in thousands):

	June 30, 2018	December 31, 2017
Carrying value in our equity method investments	\$ 135,430	\$ 137,299

As of June 30, 2018 there was an aggregate difference of \$114.8 million between the carrying amounts of these investments and the amounts of underlying equity in net assets in these investments. The difference was determined by applying the acquisition method of accounting in connection with the EMC Acquisition and is being amortized ratably over the life of the related acquired intangible assets. The weighted-average life of the intangible assets at the time of the EMC Acquisition in total was 14.9 years.

Note 8. Financing Arrangements

A summary of our outstanding indebtedness as of June 30, 2018 and December 31, 2017 is set forth below (in thousands):

	June 30, 2018	December 31, 2017
Senior secured term loan facility, due January 2023 ⁽⁺⁾	484,375	490,625
Senior secured revolving credit facility, due January 2022 ⁽⁺⁾⁽¹⁾	—	78,000
2.75% convertible senior notes due 2035 ⁽²⁾	82,500	82,500
Second Lien Notes, due 2023 ⁽³⁾	150,000	—
Other debt	5,183	9,075
Unamortized bond discounts, fair value adjustments and issue costs, net	(68,936)	(41,136)
Total carrying value of debt	653,122	619,064
Less: current portion, net	(19,595)	(20,106)
Total non-current	<u>\$ 633,527</u>	<u>\$ 598,958</u>

⁽⁺⁾This facility is a component of the 2017 Credit Agreement.

⁽¹⁾In the second quarter of 2018, we used a portion of the proceeds of the issuance of our Second Lien Notes to repay the then outstanding \$78 million principal balance on our revolving credit facility. We expect to draw on the revolving credit facility from time to time to fund our working capital needs and for other general corporate purposes.

⁽²⁾The principal amount outstanding of the 2.75% convertible senior notes due 2035 as set forth in the foregoing table was \$82.5 million as of June 30, 2018, and is not the carrying amounts of this indebtedness (*i.e.*, outstanding principal amount net of debt issuance costs and discount associated with the equity component). The carrying amount was \$70.1 million and \$69.7 million as of June 30, 2018 and December 31, 2017, respectively.

⁽³⁾The principal amount outstanding of the Second Lien Notes due 2023 as set forth in the foregoing table was \$150.0 million as of June 30, 2018, and is not the carrying amount of the indebtedness (*i.e.* outstanding principal amount net of debt issuance costs and discount associated with the equity component). The value allocated to the attached penny warrants and market warrants for financial reporting purposes was \$14.9 million and \$9.3 million, respectively. These qualify for classification in stockholders' equity and are included in the condensed consolidated balance sheets within "Additional paid-in capital".

Senior Secured Credit Agreement (2017 Credit Agreement)

On January 6, 2017, we entered into a senior secured credit agreement ("2017 Credit Agreement") that provides for aggregate principal borrowings of up to \$585 million, consisting of a \$500 million term-loan facility (the "2017 Term Loans") maturing January 6, 2023 and a \$85 million revolving credit facility (the "2017 Revolving Loans") maturing January 6, 2022. We used the proceeds of borrowings under the 2017 Credit Agreement to repay the then outstanding balance under a former EMC credit facility assumed in the EMC Acquisition and terminated the former credit facility assumed from EMC. In connection with this January 2017 refinancing, we recorded a loss on extinguishment of debt in the amount of \$14.5 million during the first quarter of 2017.

The 2017 Term Loans initially bore interest on the outstanding principal amount thereof at a rate per annum equal to (i) the Eurocurrency Rate (as defined in the 2017 Credit Agreement) plus 6.00% or (ii) the Base Rate (as defined in the 2017 Credit Agreement) plus 5.00%. Pursuant to various amendments with our lenders in 2017, the 2017 Term Loans now bear interest on the outstanding amount thereof at a rate per annum equal to (i) the Eurocurrency Rate plus 7.50% or (ii) the Base Rate plus 6.50%.

The 2017 Revolving Loans initially bore interest at a rate per annum equal to (i) the Base Rate plus 5.00% or (ii) the Eurocurrency Rate or EURIBOR (as defined in the 2017 Credit Agreement) plus 6.00% until the delivery of financial statements for the first full fiscal quarter ending after January 6, 2017, which was the closing date of the 2017 Credit Agreement. Following delivery of those financial statements, the 2017 Revolving Loans were to bear interest at a rate based on the Base Rate, Eurocurrency Rate or EURIBOR (as defined in the 2017 Credit Agreement) plus an interest-rate spread thereon that varied based on the Consolidated First Lien Net Leverage Ratio (as defined in the 2017 Credit Agreement) that ranged from 4.50% to 5.00% for the Base Rate and 5.50% to 6.00% for the Eurocurrency Rate and EURIBOR. Pursuant to various amendments with our lenders in 2017, the 2017 Revolving Loans then bore interest at a rate per annum equal to (i) the Base Rate plus 6.50% or (ii) the Eurocurrency Rate or EURIBOR plus 7.50% until the delivery of financial statements for the fiscal quarter ending March 31, 2018. We have delivered those financial statements and the spread now varies based on the Consolidated First Lien Net Leverage Ratio ranging from 6.00% to 6.50% for the Base Rate and 7.00% to 7.50% for the Eurocurrency Rate and EURIBOR.

The 2017 Credit Agreement initially required quarterly principal payments equal to 0.25% of the original aggregate principal amount of the 2017 Term Loans. Following a May 2017 amendment to the 2017 Credit Agreement, the 2017 Credit Agreement required the next eight quarterly principal payments following that amendment to equal 0.625% of the original aggregate principal

amount of the 2017 Term Loans. Thereafter, all quarterly principal payments will equal 1.25% of the original aggregate principal amount of the 2017 Term Loans.

The 2017 Credit Agreement also provides for the issuance of letters of credit in the amount equal to the lesser of \$15.0 million and the aggregate amount of the then-remaining revolving loan commitment. As of June 30, 2018, we had outstanding letters of credit of \$6.2 million under the 2017 Credit Agreement.

Certain of our subsidiaries are guarantors of our obligations under the 2017 Credit Agreement. In addition, the 2017 Credit Agreement is secured by substantially all of our tangible and intangible assets, including a pledge of all of the outstanding capital stock of substantially all of our domestic subsidiaries and 65% of the shares or equity interests of foreign subsidiaries, subject to certain exceptions.

The 2017 Credit Agreement contains various customary restrictive covenants that limit our ability to, among other things: create or incur liens on assets; make any investments, loans or advances; incur additional indebtedness, engage in mergers, dissolutions, liquidations or consolidations; engage in transactions with affiliates; make dispositions; and declare or make dividend payments. The 2017 Credit Agreement requires us to maintain compliance with a maximum consolidated first lien net leverage ratio defined in the 2017 Credit Agreement. Under the maximum leverage ratio covenant, we are required to maintain as of the last day of each fiscal quarter a ratio of Consolidated First Lien Net Debt (as defined in the 2017 Credit Agreement) to Consolidated EBITDA (as defined in the 2017 Credit Agreement) for the trailing four quarters that is no greater than 4.5 to 1 through the fiscal quarter ending June 30, 2019, after which period the permitted Leverage Ratio steps down through the maturity date of the 2017 Credit Agreement as set forth therein.

Under the 2017 Credit Agreement, the “non-call” period (during which a premium will apply to any prepayments of the 2017 Term Loans) ends on June 30, 2020.

One of the conditions to drawing on the revolving credit facility is confirmation that the representations and warranties in the 2017 Credit Agreement are true on the date of borrowing, and if we are unable to make that confirmation, including that no material adverse effect on our business has occurred, we will be unable to draw down further on the revolver.

2.75% Convertible Senior Notes due 2035

In February 2015, we issued an aggregate principal amount of \$82.5 million of convertible senior notes due 2035 (the “Convertible Notes”) in a private placement. The Convertible Notes were issued at par, pay interest semi-annually in arrears at an annual rate of 2.75% and mature on February 15, 2035, unless earlier repurchased, redeemed or converted pursuant to the terms of the Convertible Notes. In certain circumstances and subject to certain conditions, the Convertible Notes are convertible at an initial conversion rate of 53.9084 shares of common stock per \$1,000 principal amount of notes (which represents an initial conversion price of approximately \$18.55 per share), subject to adjustment. Holders of the Convertible Notes may convert their Convertible Notes at their option at any time prior to the close of business on the business day immediately preceding November 15, 2034, only if one or more of the following conditions has been satisfied: (1) during any calendar quarter beginning after March 31, 2015 if the closing price of our common stock equals or exceeds 130% of the respective conversion price per share during a defined period at the end of the previous quarter, (2) during the five consecutive business day period immediately following any five consecutive trading day period in which the trading price per \$1,000 principal amount of Convertible Notes for each trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (3) if specified corporate transactions occur, or (4) if we call any or all of the Convertible Notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date. On or after November 15, 2034, until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or a portion of its Convertible Notes at any time, regardless of the foregoing circumstances.

On February 20, 2022, February 20, 2025 and February 20, 2030 and if we undergo a “fundamental change” (as defined in the indenture governing the Convertible Notes (the “Indenture”)), subject to certain conditions, a holder will have the option to require us to repurchase all or a portion of its Convertible Notes for cash at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus any accrued and unpaid interest, if any, to, but excluding, the relevant repurchase date. If our common stock ceases to be listed or quoted on Nasdaq, this would constitute a “fundamental change,” as defined in the Indenture, and the holders of the Convertible Notes would have the right to require us to repurchase all or a portion of their convertible notes at a repurchase price equal to 100% of the principal amount of our convertible notes to be repurchased.

In addition, upon the occurrence of a “make-whole fundamental change” (as defined in the Indenture) or if we deliver a redemption notice prior to February 20, 2022, we will, in certain circumstances, increase the conversion rate for a holder that converts its Convertible Notes in connection with such make-whole fundamental change or redemption notice, as the case may be.

The Company may not redeem the Convertible Notes prior to February 20, 2019. The Company may, at its option, redeem all or part of the Convertible Notes at any time (i) on or after February 20, 2019 if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide written notice of redemption and (ii) on or after February 20, 2022 regardless of the sale price condition described in clause (i), in each case, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Upon conversion of any Convertible Note, we shall pay or deliver to the converting noteholder cash, shares of common stock or a combination of cash and shares of our common stock, at our election.

The Company separated the Convertible Notes into liability and equity components. The carrying amount of the liability component of \$69.5 million was calculated by measuring the fair value of similar liabilities that do not have an associated convertible feature. The carrying amount of the equity component was calculated to be \$13.0 million, and represents the conversion option which was determined by deducting the fair value of the liability component from the principal amount of the notes. This difference represents a debt discount that is amortized to interest expense over the term of the Convertible Notes. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the direct transaction costs (the “issuance costs”) related to the Convertible Notes, we allocated the total amount of issuance costs incurred to the liability and equity components based on their relative values. We recorded issuance costs of \$1.8 million and \$0.3 million to the liability and equity components, respectively. Issuance costs, including fees paid to the initial purchasers who acted as intermediaries in the placement of the Convertible Notes, attributable to the liability component are presented in the condensed consolidated balance sheets as a direct deduction from the carrying amount of the debt instrument and are amortized to interest expense over the term of the Convertible Notes in the condensed consolidated statements of operations. The issuance costs attributable to the equity component are netted with the equity component and included within Additional paid-in capital in the condensed consolidated balance sheets. Interest expense related to the amortization expense of the issuance costs associated with the liability component was not material during the three and six months ended June 30, 2018.

As of June 30, 2018 and December 31, 2017, the outstanding principal on the Convertible Notes was \$82.5 million, and the outstanding Convertible Notes balance, net of debt issuance costs and discount associated with the equity component, was \$70.1 million and \$69.7 million, respectively. As of June 30, 2018, the equity component of the Convertible Notes was \$13.0 million. Subsequent to March 31, 2017, we became non-compliant with our obligations under the Indenture relating to the delivery to the Indenture trustee of our 2016 annual financial statements and interim financial statements for the quarters ended March 31, June 30 and September 30, 2017, and such non-compliance constituted an Event of Default (as defined in the Indenture) under the Indenture. As a result, immediately after the occurrence of the Event of Default and through such time as the noncompliance was continuing, we incurred additional interest on the Convertible Notes at a rate equal to (i) 0.25% per annum of the principal amount of the Convertible Notes outstanding for each day during the first 90 days after the occurrence of each Event of Default and (ii) 0.50% per annum of the principal amount of the Convertible Notes outstanding from the 91st day until the 180th day following the occurrence of each such Event of Default. (The Company cured its non-compliance relating to the delivery of the 2016 annual financial statements by filing its 2016 Annual Report on Form 10-K on November 17, 2017 and relating to the delivery of its 2017 interim financial statements by filing its Quarterly Reports on Form 10-Q for the first three quarters of 2017 on January 31, 2018.) The maximum additional interest was capped at 0.50% per annum irrespective of how many Events of Default were in existence at any time for our failure to deliver any required financial statements. The aggregate penalty interest incurred during this period of non-compliance was approximately \$0.2 million.

Searchlight Investment

Second Lien Notes due 2023 and Warrants

On March 27, 2018 (the “Closing Date”) the Company issued to Searchlight II TBO, L.P. (“Searchlight”) \$150.0 million in aggregate principal amount of its Second Lien Notes, and to Searchlight II TBO-W L.P. warrants to acquire an aggregate of 18,065,775 shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), at an exercise price of \$0.01 per share (the “Penny Warrants”), and warrants to acquire an aggregate of 13,000,000 shares of Common Stock at an exercise

price of \$1.57 per share (the “Market Warrants” and, together with the Penny Warrants, the “Warrants”), for an aggregate price of \$150.0 million.

The Second Lien Notes mature on June 30, 2023. Interest on the Second Lien Notes will initially be payable in kind (compounded semi-annually) at a rate of 12.0% per annum. Interest will automatically convert to accruing cash pay interest at a rate of 10.0% per annum upon the earlier of (i) March 15, 2021 and (ii) the last day of the most recently ended fiscal quarter of the Company for which financial statements have been delivered for which the Company’s “total net leverage ratio” has decreased to 3.39 to 1.0. Our “total net leverage ratio” is as defined in the purchase agreement relating to the Second Lien Notes (the “Purchase Agreement”), and uses a “Consolidated EBITDA” definition from the Purchase Agreement that is different than the “Adjusted EBITDA” figure that we publicly report to our investors.

Each of the Company’s subsidiaries that guarantees the Company’s obligations under its 2017 Credit Agreement guarantee the Second Lien Notes (the “Guarantors”) pursuant to a guaranty agreement (the “Guaranty”). The Second Lien Notes and the guarantees thereof are subordinated in right of payment to the obligations of the Company and the Guarantors under the 2017 Credit Agreement and are secured by the same assets securing the obligations of the Company and the Guarantors under the 2017 Credit Agreement on a second lien basis, subject to the terms of an intercreditor and subordination agreement (the “Intercreditor Agreement”) among the Company, the Guarantors, the Administrative Agent and the collateral agent.

Prior to the third anniversary of the Closing Date, the Company may redeem the Second Lien Notes at a price equal to 100.0% of the principal amount of the Second Lien Notes to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to (but excluding) the date of redemption. Thereafter, each Note will be redeemable at 105.0% of the principal amount thereof from the third anniversary of the Closing Date until (and excluding) the fourth anniversary of the Closing Date, at 102.5% of the principal amount thereof from the fourth anniversary of the Closing Date until (and excluding) the fifth anniversary of the Closing Date, and thereafter at 100.0% of the principal amount thereof, plus, in each case, accrued and unpaid interest thereon, if any, to (but excluding) the redemption date. Upon a “change of control” (as defined in the Purchase Agreement), the Company must offer to purchase the Second Lien Notes at a price in cash equal to 101% of the principal amount of such Second Lien Notes, plus accrued and unpaid interest, if any, to (but excluding) the date of purchase.

The Purchase Agreement contains affirmative and negative covenants of the Company and its subsidiaries consistent with those in the 2017 Credit Agreement (including limitations on the amount of first lien indebtedness that may be incurred) and contains customary events of default, upon the occurrence and during the continuance of which the majority holders of the Second Lien Notes may declare all obligations under the Second Lien Notes to become immediately due and payable. There are no financial “maintenance covenants” in the purchase agreement for the Second Lien Notes.

On the Closing Date, the Company and the Guarantors entered into a security agreement with the Collateral Agent (the “Security Agreement”). Under the Security Agreement, each of the Company and the Guarantors granted and pledged to the Collateral Agent, to secure the payment and performance in full of all of the obligations under the Notes, a security interest in substantially all of its respective assets, and all proceeds and products and supporting obligations in respect thereof, subject to customary limitations, exceptions, exclusions and qualifications, and the Security Agreement is subject to the terms of the Intercreditor Agreement.

Searchlight is not permitted to transfer its Second Lien Notes before January 1, 2021, except to its controlled affiliates.

The Warrants

The Warrants vest and are exercisable at any time and from time to time after the Vesting Date (as defined below) until on or prior to the close of business on the tenth anniversary of the Closing Date. The Warrants vest and become exercisable on January 1, 2021 (the “Vesting Date”), if the 45-day volume-weighted average price (“VWAP”) of our common stock (as reported by Nasdaq) is at or above (i) \$4.00, in the case of the Penny Warrants, and (ii) \$2.40, in the case of the Market Warrants, in each case at any time following the Closing Date. The VWAP condition in respect of the Market Warrants was satisfied in July 2018.

The holders of the Warrants cannot exercise the Warrants if and to the extent, as a result of such exercise, either (i) such holder’s (together with its affiliates) aggregate voting power on any matter that could be voted on by holders of the Common Stock would exceed 19.9% of the maximum voting power outstanding or (ii) such holder (together with its affiliates) would beneficially

own more than 19.9% of our then outstanding common stock, subject to customary exceptions in connection with public sales or the consummation of a specified liquidity event described in the Warrants.

The Warrants also include customary anti-dilution adjustments.

Pursuant to the terms of a Warrantholders Agreement between us and Searchlight II TBO-W L.P., entered into on the Closing Date, the Company increased the size of its board of directors (the “Board”) by two members, and appointed each of Eric Zinterhofer and Eric Sondag as Class III directors (as such term is used in the Company’s certificate of incorporation) of the Board, with a term expiring in 2020. For so long as Searchlight and its controlled affiliates beneficially own at least 25% of the number of Penny Warrants issued on the Closing Date (and/or the respective shares of our common stock issued in connection with the exercise of the Penny Warrants), Searchlight shall have the right to nominate a number (rounded up to the nearest whole number) of individuals for election to the Board equal to the product of the following (such individuals, the “Searchlight Nominees”):

- the number of directors then serving on the Board, multiplied by
- a fraction, the numerator of which is the total number of outstanding shares of our common stock underlying the Penny Warrants beneficially owned by Searchlight (after giving effect to the exercise of the Penny Warrants) and the denominator of which is the sum of (A) the total number of outstanding shares of our common stock plus (B) the number of shares of our common stock underlying the Penny Warrants that have not yet been exercised;

Searchlight will not be entitled to nominate more than one individual to the Board if it beneficially owns less than 50% of the Penny Warrants (or the underlying shares of common stock) issued or issuable on the Closing Date. In no event will Searchlight be entitled to nominate more than two individuals to the Board.

Searchlight’s rights to Board representation terminate if Searchlight and its affiliates have an employee, member or partner (other than a limited partner who is an investor in Searchlight) who is a director or executive officer of a competitor of the Company, or if Searchlight has a portfolio company that is a competitor of the Company.

Stock Buy-back Restriction

Until the earlier of (i) the date on which Searchlight no longer beneficially owns at least 25% of the number of Market Warrants issued on the Closing Date (and/or the respective shares of Common Stock issued in connection with the exercise of the Market Warrants) and (ii) January 1, 2021, without the prior consent of Searchlight, the Company will not directly or indirectly redeem, purchase or otherwise acquire any equity securities of the Company for a consideration per share (plus, in the case of any options, rights, or securities, the additional consideration required to be paid to the Company upon exercise, conversion or exchange) greater than the market price (as defined in the Warrants) per share of common stock immediately prior to the earlier of (x) the announcement of such acquisition or (y) such acquisition.

Warrant Transfer Restrictions

Searchlight is not permitted to transfer its Warrants prior to January 1, 2021, except to its controlled affiliates or in connection with certain tender offers, exchange offers, mergers or similar transactions. The Warrants and the underlying shares of common stock are freely transferable by Searchlight on and after January 1, 2021.

Registration Rights

Searchlight has customary shelf, demand and piggyback registration rights with respect to the common stock (including shares of common stock underlying the Warrants) that it holds, including demand registrations and underwritten “shelf takedowns,” subject to specified restrictions, thresholds and the Company’s eligibility to use a registration statement on Form S-3.

Participation Rights

Until the earlier of (i) the fifth anniversary of the Closing Date and (ii) the date Searchlight no longer holds at least 50% of the Penny Warrants (or the respective shares of common stock underlying such Penny Warrants), Searchlight has participation rights with respect to issuances of common equity securities by the Company, subject to exceptions. These rights entitle Searchlight

to opt to participate in future issuances by the Company of common equity or common equity-linked securities, subject to customary exceptions.

Standstill

Until the earlier of (i) the 18-month anniversary of the Closing Date and (ii) the date on which Searchlight owns less than 10% of the outstanding common stock (directly or on an as-exercised basis), neither Searchlight nor its affiliates may (unless invited by the Company's Board) (a) acquire any voting equity securities or material assets of the Company if Searchlight (together with its affiliates) would beneficially hold in the aggregate more than 9.9% of the Company's 2.75% convertible senior notes due 2035 or 9.9% of the Company's common stock, (b) acquire all or a material part of the Company or its subsidiaries, (c) make, or in any way participate in any "proxy contest" or other solicitation of proxies, (d) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) with respect to any voting securities of the Company or any of its subsidiaries, (e) seek to influence or control the Company's management or policies, (f) directly or indirectly enter into any discussions, negotiations, arrangements or understandings with any other person with respect to any of the foregoing activities, (g) advise, assist, encourage, act as a financing source for or otherwise invest in any other person in connection with any of the foregoing activities or (h) publicly disclose any intention, plan or arrangement inconsistent with any of the foregoing.

The aggregate contractual maturities of all borrowings due subsequent to June 30, 2018 are as follows (in thousands):

Years Ending December 31,	Amount
2018 (remaining six months)	\$ 9,811
2019	22,567
2020	25,376
2021	25,043
2022	25,044
Thereafter	614,217
Total	\$ 722,058

Note 9. Commitments and Contingencies

Movie License and Internet Protocol Television ("IPTV") Commitments

In the ordinary course of business, we have long-term commitments, such as license fees and guaranteed minimum payments owed to content providers. In addition, we have long-term arrangements with service and television providers to license and provide content and IPTV services that are subject to future guaranteed minimum payments from us to the licensor.

The following is a schedule of future minimum commitments under movie and IPTV arrangements as of June 30, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining six months)	\$ 30,592
2019	23,753
2020	12,036
2021	750
2022	750
Thereafter	—
Total	\$ 67,881

Operating Lease Commitments

The Company leases its operating facilities under non-cancelable operating leases that expire on various dates through 2025. Some of our operating leases provide us with the option to renew for additional periods. Where operating leases contain escalation clauses, rent abatements, and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, we apply them in the determination of straight-line rent expense over the lease term. Some of our operating leases require the payment of real estate taxes or other occupancy costs, which may be subject to escalation. The Company also leases some facilities and vehicles under month-to-month arrangements.

The following is a schedule of future minimum lease payments under operating leases as of June 30, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining six months)	\$ 3,006
2019	4,872
2020	3,455
2021	3,359
2022	2,927
Thereafter	4,950
Total	\$ 22,569

Total rent expense for the three months ended June 30, 2018 and 2017 was \$2.2 million and \$1.8 million, respectively. Total rent expense for the six months ended June 30, 2018 and 2017 was \$4.4 million and \$3.6 million, respectively.

Capital Leases

The Company leases certain computer software and equipment under capital leases that expire on various dates through 2020. The current portion and non-current portion of capital lease obligations are included in Current portion of long-term debt and Long-term debt, respectively, on the condensed consolidated balance sheets. As of June 30, 2018, future minimum lease payments under these capital leases were as follows (in thousands):

Year Ending December 31,	Amount
2018 (remaining six months)	\$ 593
2019	731
2020	371
Total minimum lease payments	1,694
Less: amount representing interest	(196)
Present value of net minimum lease payments	1,498
Less: current portion	(552)
Capital lease obligation, non-current	<u>\$ 946</u>

Satellite Capacity Commitments

The Company maintains agreements with satellite service providers to provide for satellite capacity. The Company expenses these satellite fees in the month the service is provided as a charge to licensing and services cost of sales.

The following is a schedule of future minimum satellite costs as of June 30, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining six months)	\$ 58,752
2019	99,053
2020	71,322
2021	39,241
2022	35,788
Thereafter	125,240
Total	<u>\$ 429,396</u>

Other Commitments

In the normal course of business, we enter into future purchase commitments with some of our connectivity vendors to secure future inventory for our customers and engineering and antenna project developments. As of June 30, 2018, we also had outstanding letters of credit in the amount of \$7.4 million, of which \$6.2 million were issued under the letter of credit facility under the 2017 Credit Agreement. See [Note 8. Financing Arrangements](#).

Contingencies

We are subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully and finally adjudicated. We record accruals for loss contingencies when our management concludes it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. On a regular basis, our management evaluates developments in legal proceedings and other matters that could cause an increase or decrease in the amount of the liability that has been accrued previously. While it is not possible to accurately predict or determine the eventual outcomes of these matters, an adverse determination in one or more of these matters could have a material adverse effect on our consolidated financial position, results of operations or cash flows. Some of our legal proceedings as well as other matters that our management believes could become significant are discussed below:

- **Music Infringement and Related Claims.** On May 6, 2014, UMG Recordings, Inc., Capitol Records, Universal Music Corp. and entities affiliated with the foregoing (collectively, “UMG”) filed suit in the United States District Court for the Central District of California against us and Inflight Productions Ltd. (“IFP”) for copyright infringement and related claims and unspecified money damages. IFP is a direct subsidiary of Global Entertainment AG (formally AIA) and as such is our indirect subsidiary. In August 2016, we entered into settlement agreements with major record labels and publishers, including UMG, to settle music copyright infringement and related claims

(the “Sound Recording Settlements”). As a result of the Sound Recording Settlements, we paid approximately \$18.0 million in cash and issued approximately 1.8 million shares of our common stock to settle lawsuits and other claims. Under the settlement agreement with UMG, we paid UMG an additional \$5.0 million in cash in March 2017 and agreed to issue 500,000 additional shares of our common stock when and if our closing price of our common stock exceeds \$10.00 per share and 400,000 additional shares of our common stock when and if the closing price of our common stock exceeds \$12.00 per share.

In 2016, we received notices from several other music rights holders and associations acting on their behalf regarding potential claims that we infringed their music rights and the rights of artists that they represent. To date, none of these rights holders or associations has initiated litigation against us, except for BMG Rights Management (US) LLC (“BMG”) as described in the following paragraph. Other than in respect of the BMG litigation (the loss probability and liability estimate of which we discuss in the following paragraph), we believe that a loss relating to these matters is probable, but we believe that it is unlikely to be material and therefore have accrued an immaterial amount for these loss contingencies. If initiated however, we intend to vigorously defend ourselves against these claims.

On May 3, 2018, BMG filed suit in the United States District Court for the Central District of California against us and IFP for copyright infringement and related claims and unspecified money damages. The Court has not yet set a trial date. We do not believe that a material loss relating to this matter is probable, and we are currently unable to estimate the amount of the potential loss at this time due to the lack of specificity in the complaint; the fact that we have not yet completed our internal investigation; the speculative nature of the claimed damages; and the varying theories and wide range of statutory damages under which damages could be measured. As such, we have not accrued any amount for this loss contingency. We intend to vigorously defend ourselves against this claim.

- *SwiftAir Litigation.* On August 14, 2014, SwiftAir, LLC filed suit against our wholly owned subsidiary Row 44 and against Southwest Airlines for breach of contract, *quantum meruit*, unjust enrichment and similar claims and money damages in the Superior Court of California for the County of Los Angeles. SwiftAir and Row 44 had a contractual relationship whereby Row 44 agreed to give SwiftAir access to Row 44’s Southwest Airlines portal so that SwiftAir could market its destination deal product to Southwest Airlines’ passengers. In 2013, after Southwest Airlines decided not to proceed with the destination deal product, Row 44 terminated its contract with SwiftAir. In its lawsuit, SwiftAir seeks approximately \$9 million in monetary damages against Row 44 and Southwest Airlines. In January 2018, the court granted Row 44’s motions *in limine* and thereby limited SwiftAir’s damages claims against Row 44 to nominal damages. Southwest Airlines however remains exposed to SwiftAir’s damages claims. If Southwest Airlines is not successful in its defense against those claims, then Southwest Airlines may seek indemnification from Row 44 for its loss. The trial in this lawsuit is currently scheduled to commence in September 2018. We intend to vigorously defend ourselves against SwiftAir’s claims as well as against any indemnification claim that Southwest Airlines may later assert against us. We do not believe that a material loss relating to this matter is probable, and due to the speculative nature of SwiftAir’s damages claims, we are currently unable to estimate the amount of any potential loss; as such, we have not accrued any amount for this loss contingency.
- *Securities Class Action Litigation.* On February 23, 2017 and on March 17, 2017, following our announcement that we anticipated a delay in filing our Annual Report for the year ended December 31, 2016 (or “2016 Form 10-K”) and that our former CEO and former CFO would separate from us, three putative securities class action lawsuits were filed in United States District Court for the Central District of California. These lawsuits alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against us, our former CEO and two of our former CFOs. The plaintiffs voluntarily dismissed two of these lawsuits. The third lawsuit, brought by putative stockholder M&M Hart Living Trust and Randi Williams (the “Hart complaint”), alleged that we and the other defendants made misrepresentations and/or omitted material information about the EMC Acquisition, our projected financial performance and synergies following that acquisition, and the impact of that acquisition on our internal controls over financial reporting. The plaintiffs sought unspecified damages, attorneys’ fees and costs. On November 2, 2017, the Court granted our and the other defendants’ motion to dismiss the Hart complaint, and dismissed the action with prejudice. On November 30, 2017, the plaintiffs filed a motion to alter or amend the Court’s previous judgment of dismissal to permit them to file a further amended complaint. On January 8, 2018 the Court denied the plaintiffs’ motion to alter or amend the previous judgment. On January 29, 2018, the plaintiffs appealed to the United States Court of Appeals for the Ninth Circuit from the Court’s denial of the plaintiffs’ motion to alter or amend the judgment. We expect the Ninth Circuit to hear the appeal in late 2018 or early 2019. We believe that a loss relating to this matter is probable, but we believe that it is unlikely to be

material and therefore have accrued an immaterial amount related to this loss contingency. We intend to vigorously defend ourselves against this claim.

In addition, from time to time, we are or may be party to various additional legal matters incidental to the conduct of our business. Some of the outstanding legal matters include speculative claims for indeterminate amounts of damages, for which we have not recorded any contingency accrual. Additionally, we have determined that other legal matters are likely not material to our financial statements, and as such have not discussed those matters above. Although we cannot predict with certainty the ultimate resolution of these speculative and immaterial matters, based on our current knowledge, we do not believe that the outcome of any of these matters will have a material adverse effect on our financial statements.

Note 10. Related Party Transactions

Due from WMS

In connection with the EMC Acquisition, the Company acquired a 49% equity interest in WMS. The Company accounts for its interest in WMS using the equity method and includes the Company's share of WMS's profits or losses in Income from equity method investments in the condensed consolidated statements of operations. During the three and six months ended June 30, 2018, sales to WMS (for the Company's services provided to WMS for WMS's onboard cellular equipment) were approximately \$0.2 million and \$0.5 million, respectively, under the terms of the WMS operating agreement and an associated master services agreement with WMS. During the three and six months ended June 30, 2017, sales to WMS were approximately \$0.3 million and \$0.7 million, respectively. These sales are included in Revenue in the condensed consolidated statements of operations. As of June 30, 2018 and December 31, 2017, we had a balance due from WMS of \$0.1 million and \$0.1 million, respectively, included in Accounts receivable, net in the condensed consolidated balance sheets.

Note Payable to WMS

In December 2017, the Company entered into a demand promissory note with WMS (as an advance against future dividends that WMS may pay the Company) for approximately \$6.4 million and concurrently signed an agreement to waive future dividends or other such distributions by WMS to the Company until such time as the outstanding principal on the demand promissory note has been repaid in full. The outstanding demand promissory note will be reduced dollar-for-dollar by any such dividend or distribution amounts waived. The Company may prepay the demand promissory note at any time without prepayment penalty. The unpaid principal of the demand promissory note bears interest at 2.64% per annum from and after the date of the demand promissory note. Interest under the demand promissory note is due and payable only upon the occurrence of an "event of default," which includes, for example, the Company's breach of the demand promissory note or the WMS operating agreement, Company insolvency events and material judgments against the Company. The entire principal balance of the demand promissory note together with all accrued but unpaid interest shall be due on the earliest to occur of (i) demand by the holder, (ii) December 31, 2019 and (iii) the date of acceleration of the demand promissory note as a result of the occurrence of an event of default. During the six months ended June 30, 2018, WMS declared dividends of \$7.0 million in the aggregate, of which our 49% proportion (equal to \$3.4 million) has been applied against the outstanding principal amount of the demand promissory note. The principal amount of the outstanding demand promissory note was \$3.0 million as of June 30, 2018 and has been included within current portion of long-term debt in the condensed consolidated balance sheet as of June 30, 2018.

Due to Santander

Also in connection with the EMC Acquisition, the Company acquired a 49% equity interest in Santander. The Company accounts for its interest in Santander using the equity method and includes our share of Santander's profits or losses in Income from equity method investments in the condensed consolidated statements of operations. During the three and six months ended June 30, 2018 the Company purchased approximately \$2.4 million and \$3.8 million, respectively, from Santander for their Teleport services and related network operations support services. During the three and six months ended June 30, 2017 the Company purchased approximately \$0.8 million and \$1.4 million, respectively, of network operations support services from Santander. As of June 30, 2018 and December 31, 2017 the Company owed Santander approximately \$1.3 million and \$0.9 million, respectively, as remaining payments for these services, which is included in Accounts payable and accrued liabilities in the condensed consolidated balance sheets for their teleport services and related network operations support services.

Subscription Receivable with Former Employee

A former employee is party to a Secured Promissory Note dated July 15, 2011, pursuant to which the former employee agreed to pay the Company (as successor to Row 44, Inc., which is a Company subsidiary) a principal sum of approximately \$0.4 million, plus interest thereon at a rate of 6% per annum. The former employee granted the Company a security interest in shares of Row 44 held by him (which Row 44 shares were subsequently converted into 223,893 shares of the Company's common stock) to secure his obligations to repay the loan. As of June 30, 2018 and December 31, 2017, the balance of the note (with interest) was approximately \$0.6 million, which is presented as a subscription receivable. We recognize interest income on the note when earned (using the simple interest method) but have not collected any interest payments since the origination of the note. Interest income recognized by the Company during the six months ended June 30, 2018 and June 30, 2017 was not material. The Company makes ongoing assessments regarding the collectability of this note and the subscription receivable balance, and is currently in litigation with the former employee to recover the loan.

Registration Rights Agreement

When we consummated our business combination in January 2013 with Row 44 and Advanced Inflight Alliance AG, we entered into an amended and restated registration rights agreement with PAR, entities affiliated with Putnam Investments, Global Eagle Acquisition LLC (the "Sponsor") and our then and current Board members Harry E. Sloan and Jeff Sagansky, who were affiliated with the Sponsor. Under that agreement, we agreed to register the resale of securities held by them (the "registerable securities") and to sell those registerable securities pursuant to an effective registration statement in a variety of manners, including in underwritten offerings. We also agreed to pay the securityholders' expenses in connection with their exercise of their registration rights.

During 2017, Putnam Investments was a beneficial owner of more than 5% of our outstanding common stock. According to a Schedule 13G/A filed on February 7, 2018, Putnam Investments no longer holds more than 5% of our outstanding common stock, and as such has ceased to be a related party. PAR and Messrs. Sloan and Sagansky continue to be related parties.

The amended and restated registration rights agreement restricts our ability to grant registration rights to a third party on parity with or senior to those held by the "holders" (as defined under that agreement) without the consent of holders of at least a majority of the "registerable securities" under that agreement. In April 2018, we entered into a consent to the amended and restated registration rights agreement with PAR whereby PAR (as a holder of a majority of registerable securities thereunder) consented to the registration rights that we provided to Searchlight as part of its investment in us.

Note 11. Common Stock, Share-Based Awards and Warrants

Common Stock

Issuance of Common Stock

The Company issued approximately 5.5 million shares of its common stock to the EMC seller on July 27, 2016 in connection with the EMC Acquisition. On the first anniversary of the EMC Acquisition, on July 27, 2017, the Company issued to the EMC seller an additional approximately 5.0 million shares of the Company's common stock. Pursuant to the EMC purchase agreement, 50% of the newly issued shares was valued at \$8.40 per share, and 50% was valued at the volume-weighted average price of a share of Company common stock measured two days prior the first anniversary date.

Furthermore, in August 2016, the Company issued approximately 1.8 million shares of its common stock as partial consideration for the Sound-Recording Settlements discussed in [Note 9. Commitments and Contingencies](#). The Company is obligated to issue an additional 500,000 shares of its common stock to UMG in connection with the litigation when and if the share price of the Company's common stock exceeds \$10.00 per share and an additional 400,000 shares of its common stock when and if the closing price exceeds \$12.00 per share (together, the "Supplemental Shares") at any time in the future if the share price reaches these price thresholds. In lieu of issuing the Supplemental Shares of the Company's common stock upon exceeding the respective share price thresholds, the Company may pay the equivalent in cash at its sole discretion. If the Company were to experience a liquidation event, as defined in the settlement documentation, and if the equivalent liquidation price per share at that time exceeds one or both of the share price thresholds, the Company is obligated to pay the equivalent liquidation price per share in cash in lieu of issuing the Supplemental Shares. See [Note 9. Commitments and Contingencies](#) for a further description of the Sound-Recording Settlements.

2013 Equity Plan

Under our 2013 Amended and Restated Equity Incentive Plan (as amended, the “2013 Equity Plan”), the Administrator of the Plan, which is the Compensation Committee of our Board, was able to grant up to 11,000,000 shares (through stock options, restricted stock, restricted stock units (“RSUs”)) (including both time-vesting and performance-based RSUs) and other incentive awards) to employees, officers, non-employee directors, and consultants. We ceased using the 2013 Equity Plan for new equity issuances in December 2017 upon receiving stockholder approval of our 2017 Omnibus Long-Term Incentive Plan, although we continue to have outstanding previously granted equity awards issued under the 2013 Equity Plan. See “2017 Equity Plan” immediately below.

2017 Equity Plan

On December 21, 2017, our stockholders approved a 2017 Omnibus Long-Term Incentive Plan (the “2017 Equity Plan”). We transferred the 2,097,846 shares remaining available for grant under the 2013 Equity Plan at that time into the 2017 Equity Plan and those shares are now available for grant under the 2017 Equity Plan. The 2017 Equity Plan separately made available 6,500,000 shares of our common stock for new issuance thereunder, in addition to the shares transferred from the 2013 Equity Plan. The Compensation Committee of our Board (as administrator of the 2017 Equity Plan) may grant share awards thereunder (through stock options, restricted stock, RSUs (including both time-vesting and performance-based RSUs) and other incentive awards) to employees, officers, non-employee directors, and consultants.

On June 25, 2018, our stockholders approved an amendment and restatement of the 2017 Equity Plan that increased by 2,000,000 the number of shares of our common stock authorized for issuance thereunder.

Stock Repurchase Program

In March 2016, the Board authorized a stock repurchase program under which we may repurchase up to \$50.0 million of our common stock. Under the stock repurchase program, we may repurchase shares from time to time using a variety of methods, which may include open-market purchases and privately negotiated transactions. The extent to which we repurchase our shares, and the timing and manner of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by management. We measure all potential buybacks against other potential uses of capital that may arise from time to time. The repurchase program does not obligate us to repurchase any specific number of shares, and may be suspended or discontinued at any time. We expect to finance any purchases with existing cash on hand, cash from operations and potential additional borrowings. We did not repurchase any shares of its common stock during the six months ended June 30, 2018 and 2017. As of June 30, 2018 the remaining authorization under the stock repurchase plan was \$44.8 million.

Stock-Based Compensation Expense

Stock-based compensation expense related to our directors and other personnel for the three and six months ended June 30, 2018 and 2017 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of services	\$ 80	\$ 66	\$ 260	\$ 153
Sales and marketing	98	131	291	306
Product development	139	165	450	336
General and administrative	1,913	630	4,867	2,048
Total	<u>\$ 2,230</u>	<u>\$ 992</u>	<u>\$ 5,868</u>	<u>\$ 2,843</u>

Warrants Issued in Connection with Second Lien Notes

The Company's penny warrants and market warrants issued in connection with the Searchlight investment qualify for classification in stockholders' equity, as they are indexed to the Company's own stock and meet all additional criteria to be classified in stockholders' equity. They are considered freestanding, equity-classified instruments that are initially measured at fair value and recorded at their allocated value, with no remeasurement required as long as the contract continues to be classified in equity.

The following is a summary of the penny and market warrants outstanding as of June 30, 2018:

	Number of Warrants (in thousands)	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (in years)
Penny Warrants	18,065,775	\$ 0.01	9.70
Market Warrants	13,000,000	\$ 1.57	9.70

Public SPAC Warrants

The following is a summary of Public SPAC Warrants (which were exercisable for shares of our common stock) for the six months ended June 30, 2018, with the "Number of Warrants" in the table below indicating the shares of our common stock underlying the Public SPAC Warrants:

	Number of Warrants (in thousands)	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (in years)
Outstanding at January 1, 2018	6,173	\$ 11.50	
Expired	(6,173)	—	
Outstanding and exercisable at June 30, 2018	—	\$ —	0.0

The Public SPAC Warrants had a five-year term that expired on January 31, 2018, and are no longer exercisable. Prior to their expiration, the Company accounted for its 6,173,228 Public SPAC Warrants as derivative liabilities. During the three months ended June 30, 2017, the Company recorded income of \$0.2 million in the condensed consolidated statement of operations as a result of the marked to fair value adjustment of these warrants at each balance sheet date. No income or expense was recorded during the three months ended June 30, 2018. During the six months ended June 30, 2018 and 2017, the Company recorded income of less than \$0.1 million and expense of \$0.2 million, respectively. The fair value of Public SPAC Warrants issued by the Company was estimated using the Black-Scholes option pricing model.

Note 12. Income Taxes

The Company recorded an income tax provision of \$3.7 million and \$4.0 million for the three months ended June 30, 2018 and 2017, respectively, and a benefit of \$1.0 million and a provision of \$6.8 million for the six months ended June 30, 2018 and 2017, respectively. In general, our effective tax rate differs from the federal income tax rate due to the effects of foreign tax rate differences, foreign withholding taxes, changes in unrecognized tax benefits, changes in valuation allowance, and deferred tax expense on amortization of indefinite-lived intangible assets.

Due to uncertainty as to the realization of benefits from the Company's U.S. and certain international net deferred tax assets, including net operating loss carryforwards, the Company has a full valuation allowance reserved against such net deferred tax assets. The Company intends to continue to maintain a full valuation allowance on certain jurisdictions' net deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances.

As of June 30, 2018 and December 31, 2017, the liability for income taxes associated with uncertain tax positions was \$8.5 million and \$8.7 million, respectively. As of June 30, 2018 and December 31, 2017, the Company had accrued \$7.0 million and \$6.5 million, respectively, of interest and penalties related to uncertain tax positions. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions may significantly decrease within the next 12 months. This change may be the result of settlement of ongoing foreign audits.

In December, 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, in general limiting interest expense to 30% of taxable income, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries. As of June 30, 2018, we do not expect a material tax impact as a result of the Tax Act due to a current year loss and a full valuation allowance against our deferred tax assets.

We have estimated the impacts of the Tax Act in accordance with SAB 118. As of June 30, 2018, we have estimated an income tax benefit impact of \$4.6 million for the year ended December 31, 2017, reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent, and are expecting no tax impact related to the estimated repatriation toll charge of \$18.5 million, which was fully offset by the net operating loss generated in 2017. As of June 30, 2018, our management is continuing to evaluate the effects of the Tax Act provisions, but we do not expect a material positive or negative impact to our 2017 tax positions.

Note 13. Segment Information

As of June 30, 2018, the Company's business was comprised of two operating segments: Media & Content and Connectivity. Our CODM evaluates financial performance and allocates resources by reviewing revenue, costs of sales and contribution profit separately for our two segments. Total segment gross margin provides the CODM a measure to analyze operating performance of each of the Company's operating segments and its enterprise value against historical data and competitors' data. However, historical results may not be indicative of future results because operating performance is highly contingent on many factors, including customer tastes and preferences. All other financial information is reviewed by the CODM on a consolidated basis.

The following table summarizes revenue and gross margin by our reportable segments for the three and six months ended June 30, 2018 and 2017 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Media & Content				
Licensing and services	\$ 83,455	\$ 74,566	\$ 158,369	\$ 150,945
Connectivity				
Services	72,973	71,582	144,585	138,845
Equipment	9,534	9,594	19,505	18,544
Total	82,507	81,176	164,090	157,389
Total revenue	\$ 165,962	\$ 155,742	\$ 322,459	\$ 308,334
Cost of sales:				
Media & Content				
Licensing and services	\$ 58,456	\$ 56,693	\$ 112,910	\$ 110,949
Connectivity				
Services	63,848	52,230	121,885	100,846
Equipment	4,427	9,167	10,415	16,835
Total	68,275	61,397	132,300	117,681
Total cost of sales	\$ 126,731	\$ 118,090	\$ 245,210	\$ 228,630
Gross Margin:				
Media & Content	\$ 24,999	\$ 17,873	\$ 45,459	\$ 39,996
Connectivity	14,232	19,779	31,790	39,708
Total Gross Margin	39,231	37,652	77,249	79,704
Other operating expenses	60,764	63,760	128,228	207,225
Loss from operations	\$ (21,533)	\$ (26,108)	\$ (50,979)	\$ (127,521)

The Company's total assets by segment were as follows (in thousands):

	December 31,	
	June 30, 2018	2017
Media & Content	\$ 351,462	\$ 362,216
Connectivity	456,507	479,714
Total segment assets	807,969	841,930
Corporate assets	16,508	18,654
Total assets	\$ 824,477	\$ 860,584

Note 14. Concentrations

Concentrations of Credit and Business Risk

Financial instruments that potentially subject us to a concentration of credit risk consist of cash and cash equivalents and accounts receivable.

As of June 30, 2018 and 2017, we maintain our cash and cash equivalents primarily with major U.S. financial institutions and foreign banks. Deposits with these institutions at times exceed the federally insured limits, which potentially subjects us to concentration of credit risk. We have not historically experienced any losses related to these balances and believe that there is minimal risk of any such losses.

As of June 30, 2018, approximately \$26.2 million of our total cash and cash equivalents of \$37.4 million was held by our foreign subsidiaries. If we repatriate these funds for use in our U.S. operations, we may be required to pay income taxes in the U.S. on the repatriated amount at the tax rates then in effect, reducing the net cash proceeds to us after repatriation. In the event we elect to repatriate any of these funds, we believe we have sufficient net operating losses for the foreseeable future to offset any repatriated income. As a result, we do not expect that any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate.

Customer Concentration

A substantial portion of our revenue is generated through arrangements with Southwest Airlines, Inc. (“Southwest Airlines”). As of June 30, 2018 and 2017, the percentage of revenue generated through this customer was as follows:

	Six Months Ended June 30,	
	2018	2017
Southwest Airlines as a percentage of total revenue	18%	19%
Southwest Airlines as a percentage of Connectivity revenue	35%	37%

No other customer accounted for greater than 10% of total revenue for the periods presented. Accounts receivable from Southwest Airlines represented 13% and 10% of the total accounts receivable as of June 30, 2018 and December 31, 2017, respectively.

Note 15. Net Loss Per Share

Basic loss per share (“EPS”) is computed using the weighted-average number of common shares outstanding during the applicable period. Diluted loss per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the applicable period. Potentially dilutive contingent shares, which consist of stock options, restricted stock units (including performance stock units), liability warrants, warrants issued to third parties and accounted for as equity instruments, convertible senior notes and contingently issuable shares, have been excluded from the diluted loss per share calculation when the effect of including such shares is anti-dilutive.

The following table sets forth the computation of basic and diluted net loss per share of common stock (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net loss (numerator):				
Net loss – basic and diluted	\$ (45,910)	\$ (44,130)	\$ (84,193)	\$ (169,741)
Shares (denominator):				
Weighted-average shares – basic and diluted	91,057	85,496	90,925	85,468
Loss per share - basic and diluted	\$ (0.50)	\$ (0.52)	\$ (0.93)	\$ (1.99)

The following weighted average common equivalent shares are excluded from the calculation of the Company's net loss per share as their inclusion would have been anti-dilutive (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Employee stock options	5,436	5,525	5,880	6,060
Restricted stock units (including performance stock units)	2,379	1,474	2,304	1,625
Equity warrants ⁽¹⁾	—	351	—	711
Public SPAC Warrants ⁽²⁾	—	6,173	1,066	6,173
2.75% convertible senior notes due 2035	4,447	4,447	4,447	4,447
EMC deferred consideration ⁽³⁾	—	5,536	—	5,536
Contingently issuable shares ⁽⁴⁾	900	900	900	900
Searchlight Penny Warrants ⁽⁵⁾	18,066	—	9,482	—
Searchlight Market Warrants ⁽⁵⁾	13,000	—	6,823	—

(1) These are Legacy Row 44 warrants originally issuable for Row 44 common stock and Row 44 Series C preferred stock, which later became issuable for our Common Stock. During the six months ended June 30, 2017, these Legacy Row 44 warrants expired.

(2) These were 6,173,228 Public SPAC Warrants which expired on January 31, 2018 and are no longer exercisable. See [Note 11. Common Stock, Share-Based Awards and Warrants](#).

(3) In connection with the EMC Acquisition on July 27, 2016 (the "EMC Acquisition Date"), we were obligated to pay \$25.0 million in cash or stock, at our option, on July 27, 2017, which we elected to settle in 5,080,049 newly issued shares of our common stock on that date. No remaining obligation remains outstanding as of June 30, 2018.

(4) In connection with the Sound Recording Settlement, we are obligated to issue 500,000 shares of our common stock to UMG when and if the closing price of our common stock exceeds \$10.00 per share, and 400,000 shares of our common stock to UMG when and if the closing price of our common stock exceeds \$12.00 per share. See [Note 9. Commitments and Contingencies](#).

(5) On March 27, 2018 we sold to Searchlight (and associated entities) \$150.0 million in aggregate principal amount of our Second Lien Notes as well as warrants to acquire an aggregate of 18,065,775 shares of the Company's common stock at an exercise price of \$0.01 per share (the "Penny Warrants") and warrants to acquire an aggregate of 13,000,000 shares of Common Stock at an exercise price of \$1.57 per share (the "Market Warrants"). See [Note 11. Common Stock, Share-Based Awards and Warrants](#).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, "Global Eagle Entertainment," "Global Eagle," the "Company," "our," "we," or "us" and similar terms include Global Eagle Entertainment Inc. and its subsidiaries, unless the context indicates otherwise.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q (this "Form 10-Q") may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our business outlook, industry, business strategy, plans, goals and expectations concerning our market position, international expansion, future technologies, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "anticipate," "assume," "believe," "budget," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "future" and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this Form 10-Q.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- our ability to remediate material weaknesses in our internal control over financial reporting and to complete such remediation in a timely manner, and the effect of those weaknesses on our ability to report and forecast our operations and financial performance;
- our ability to maintain effective disclosure controls and internal control over financial reporting;
- our efforts to remediate our material weaknesses in our internal control over financial reporting may divert management's attention from our business, reduce our liquidity and have an adverse effect on our financial performance;
- any future restructuring activities may prove detrimental to our operations and sales and our ability to achieve our operating-expense and cost-structure improvements and reductions;
- our dependence on the travel industry;
- future acts or threats of terrorism;
- our dependence on our existing relationship and agreement with Southwest Airlines;
- our ability to obtain new customers and renew agreements with existing customers;
- our customers' inability to pay us for our services;
- our ability to retain and effectively integrate and train key members of senior management;
- our ability to recruit, train and retain highly skilled technical employees, particularly in our finance and IT functions;
- our ability to receive the anticipated cash distributions or other benefits from our investment in the Wireless Maritime Services joint venture;
- customer attrition due to direct arrangements between satellite providers and customers;
- the effect of a variety of complex U.S. and foreign tax laws and regimes due to the global nature of our business;
- our need to invest in and develop new broadband technologies and advanced communications and secure networking systems, products and services and antenna technologies as well as their market acceptance;
- our ability to continue to be able to make claims for e-business and multimedia tax credits in Canada;
- our exposure to foreign currency risks and a lack of a formalized hedging strategy;
- increased demand by customers for greater bandwidth, speed and performance and increased competition from new technologies and market entrants;
- our reliance on "sole source" service providers and other third parties for key components and services that are integral to our product and service offerings;
- the potential need to materially increase our investments in product development and equipment beyond our current investment expectations;
- our ability to expand our international operations and the risks inherent in our international operations, especially in light of current trade and national-security disputes between the United States and China (which may adversely impact our ability to conduct business in that market);

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- service interruptions or delays, technology failures, damage to equipment or software defects or errors and the resulting impact on our reputation and ability to attract, retain and serve our customers;
- equipment failures or software defects or errors that may damage our reputation or result in claims in excess of our insurance or warranty coverage;
- satellite failures or degradations in satellite performance;
- our ability to integrate businesses or technologies we have acquired or may acquire in the future;
- increased on-board use of personal electronic devices and content accessed and downloaded prior to travel and our ability to compete as a content provider against “over the top” download services and other companies that offer in-flight entertainment products;
- pricing pressure from suppliers and customers in our Media & Content segment and a reduction in the aviation industry’s use of intermediary content service providers (such as us);
- a reduction in the volume or quality of content produced by studios, distributors or other content providers;
- a reduction or elimination of the time between our receipt of content and it being made available to the rental or home viewing market (*i.e.*, the “early release window”);
- increased competition in the in-flight entertainment (“IFE”) and in-flight connectivity (“IFC”) system supply chain;
- our ability to plan expenses and forecast revenue due to the long sales cycle of many of our Media & Content segment’s products;
- our use of fixed-price contracts for satellite bandwidth and potential cost differentials that may lead to losses if the market price for our services declines relative to our committed cost;
- our use of fixed-price contracts in our Media & Content segment that may lead to losses in the future if the market price for our services declines relative to our committed cost;
- our ability to develop new products or enhance those we currently provide in our Media & Content segment;
- our ability to successfully implement a new enterprise resource planning system;
- our ability to protect our intellectual property;
- the effect of cybersecurity attacks, data or privacy breaches, data or privacy theft, unauthorized access to our internal systems or connectivity or media and content systems, or phishing or hacking, especially in light of recently publicized security incidents affecting our industry and our systems;
- the costs to defend and/or settle current and potential future civil intellectual property lawsuits (including relating to music and other content infringement) and related claims for indemnification;
- changes in regulations and our ability to obtain regulatory approvals to provide our services or to operate our business in particular countries or territorial waters;
- compliance with U.S. and foreign regulatory agencies, including the Federal Aviation Administration (“FAA”) and Federal Communications Commission (“FCC”) and their foreign equivalents in the jurisdictions in which we and our customers operate;
- changes in government regulation of the Internet, including e-commerce or online video distribution;
- our ability to comply with trade, export, anti-money laundering and anti-bribery practices and data protection laws, especially the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
- uninsured or underinsured costs associated with stockholder litigation and any uninsured or underinsured indemnification obligations with respect to current and former executive officers and directors;
- limitations on our cash flow available to make investments due to our substantial indebtedness and our ability to generate sufficient cash flow to make payments thereon;
- our ability to repay the principal amount of our bank debt, Second Lien Notes and/or convertible notes at maturity, to raise the funds necessary to settle conversions of our convertible notes or to repurchase our convertible notes upon a fundamental change or on specified repurchase dates or due to future indebtedness;
- the conditional conversion of our convertible notes;
- the effect on our reported financial results of the accounting method for our convertible notes;
- the impact of the fundamental change repurchase feature and change of control repurchase feature of the securities purchase agreement governing our Second Lien Notes on our price or potential as a takeover target;
- the dilution or price depression of our common stock that may occur as a result of the conversion of our convertible notes and/or Searchlight warrants;
- our ability to meet the continued listing requirements of The Nasdaq Stock Market (“Nasdaq”), in particular given our recent history of delinquent periodic filings with the U.S. Securities and Exchange Commission (“SEC”) and the need to maintain a minimum \$1.00 per share stock price pursuant to Nasdaq rules;
- our eligibility to use Form S-3 to register the offer and sale of securities, which Form we are not currently eligible to use;

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- conflicts between our interests and the interests of our largest stockholders;
- volatility of the market price of our securities;
- anti-takeover provisions contained in our charter and bylaws;
- the dilution of our common stock if we issue additional equity or convertible debt securities; and
- other risks and factors listed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC on April 2, 2018 (the “2017 Form 10-K”).

Overview of the Company

We are a leading provider of media and satellite-based connectivity to fast-growing, global mobility markets across air, sea and land. Our principal operations and decision-making functions are located in North America, South America and Europe. We have two operating segments: Media & Content and Connectivity.

We generate revenue primarily through licensing and related services from our Media & Content segment and from the delivery of satellite-based Internet service and content to the aviation, maritime and land markets and the sale of equipment from our Connectivity segment. Our chief operating decision maker regularly analyzes revenue and profit on a segment basis, and our results of operations and pre-tax income or loss on a consolidated basis in order to understand the key business metrics driving our business.

For the six months ended June 30, 2018 and 2017, we reported revenue of \$322.5 million and \$308.3 million, respectively. For each of the six-month periods ended June 30, 2018 and 2017, our Media & Content and Connectivity segments accounted for 49% and 51% of our total revenue, respectively. For the six months ended June 30, 2018 and 2017, one airline customer, Southwest Airlines, Inc. (“Southwest Airlines”) accounted for 18% and 19%, respectively, of our total revenue.

Recent Developments

Changes to our Board of Directors and Management

Effective April 1, 2018, our Board appointed Jeffrey A. Leddy to the newly created position of Executive Chairman of the Company and appointed Joshua B. Marks to replace Mr. Leddy as CEO. Both Mr. Leddy, as Executive Chairman, and Mr. Marks, as CEO, report directly to the Board. Also effective on that date, Mr. Leddy became Chairman of the Board, and Mr. Marks joined our Board as a Class I director (as such term is used in the Company’s certificate of incorporation). As Chair of the Board, Mr. Leddy succeeded Edward L. Shapiro, who thereupon became the Board’s Lead Independent Director.

Pursuant to the terms of the Searchlight investment discussed below, we increased the size of our Board by two members, and appointed each of Eric Zinterhofer and Eric Sondag as Class III directors (as such term is used in our certificate of incorporation) of the Board, with a term expiring in 2020.

At our Annual Meeting of Stockholders on June 25, 2018, our stockholders re-elected Stephen Hasker and Messrs. Leddy and Marks as Class I directors, with terms expiring in 2021. In addition, Jeff Epstein retired from our Board as of June 25, 2018 upon the expiration of his term.

ASU 2014-09, Revenue from Contracts with Customers (Topic 606) Adoption

On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09” or “Topic 606”) and all related amendments and applied the concepts to all contracts which were not completed as of January 1, 2018 using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting policies.

We recorded a net reduction to opening accumulated deficit of \$0.9 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606, with the impact primarily related to the recognition of our contract assets which had been expensed in the previous year. Applying Topic 606 resulted in a net increase of \$0.3 million and a net decrease of \$0.4 million, for the three and six months ended June 30, 2018, respectively. The impact to cost of goods sold for the three and six months

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ended June 30, 2018 was a net decrease of \$0.4 million and \$0.8 million, respectively, primarily relating to revenues in our Media & Content segment as a result of applying Topic 606.

Recent U.S. Tax Legislation

In December 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

The Tax Act also adds many new provisions to the U.S federal corporate tax code including changes to bonus depreciation, the deduction for executive compensation and interest expense, a tax on global intangible low-taxed income (GILTI), the base erosion anti-abuse tax (BEAT) and a deduction for foreign-derived intangible income (FDII). As of June 30, 2018, we do not expect a material tax impact as a result of the Tax Act due to a current year loss and a full valuation allowance against our deferred tax assets. The Company has determined that the BEAT provisions do not apply for 2018 and will continue to assess the impact these provisions in future years.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of generally accepted accounting principles in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act.

In accordance with SAB 118, we have estimated the impacts of the Tax Act using information known at this time, including an income tax benefit of \$4.6 million in the year ended December 31, 2017 reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent and no estimated tax impact related to the estimated repatriation toll charge of \$18.5 million, fully offset by the current year net operating loss and corresponding release of valuation allowance. As of June 30, 2018, our management is still evaluating the effects of the Tax Act provisions, and the assessment does not purport to disclose all changes of the Tax Act that could have material positive or negative impacts on our current or future tax positions.

Opportunities, Challenges and Risks

We believe our operating results and performance are driven by various factors that affect the commercial travel industry and the mobility markets serving hard-to-reach places on land, sea and in the air. These include general macroeconomic trends affecting the mobility markets, such as travel and maritime trends affecting our target user base, regulatory changes, competition and the rate of customer adoption of our services as well as factors that affect Wi-Fi Internet service providers in general. Growth in our overall business is principally dependent upon the number of customers that purchase our services, our ability to negotiate favorable economic terms with our customers and partners and the number of travelers who use our services. Growth in our margins is dependent on our ability to manage the costs associated with implementing and operating our services, including the costs of licensing and distributing content, equipment and satellite service. Our ability to attract and retain customers is highly dependent on our ability to timely implement our services and continually improve our network and operations as technology changes and we experience increased network capacity constraints.

Media & Content Segment

The growth of our Media & Content segment is dependent upon a number of factors, including the growth of in-flight entertainment (“IFE”) systems, our customers' demand for content and games across global mobility markets, the general availability of content to license from our studio partners, pricing from our competitors and our ability to manage the underlying economics of content licensing by studio. Also, as mobility connectivity services become less costly and capable of faster speeds, the availability of “over the top” services like Netflix represents a potential source of future competition for our Media & Content segment. We believe that customer demand for content and games will continue to grow in the foreseeable future and we intend to capitalize on this opportunity, but our ability to do so in part depends on our ability to harness passenger data and analytics in order to improve and customize our offerings.

Connectivity Segment

In our Connectivity segment, the use of our connectivity equipment on our customers' aircraft is subject to regulatory approvals, such as a Supplemental Type Certificate, or “STC,” that are imposed by agencies such as the Federal Aviation

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Administration (“FAA”), the European Aviation Safety Agency (“EASA”) and the Civil Aviation Administration of China (“CAAC”). The costs to obtain and/or validate an STC can be significant and vary by plane type and customer location. We have STCs to operate our equipment on several plane types, including The Boeing Company’s (“Boeing”) 737, 757, 767 and 777 aircraft families, and for the Airbus SE (“Airbus”) A320 aircraft family. While we believe we will be successful in obtaining STC approvals in the future as needed, there is a risk that the applicable regulatory agencies do not approve or validate an STC on a timely basis, if at all, which could negatively impact our growth, relationships and ability to sell our connectivity services. To partially address the risk and costs of obtaining STCs in the future, we signed an agreement with Boeing to offer our connectivity equipment on a “line-fit basis” for Boeing’s 737 MAX and 787 models, and our connectivity equipment became available on a line-fit basis in August 2017 as an option on new Boeing 737 MAX airplanes. We also expect to undertake similar line-fit initiatives with other aircraft manufacturers such as Airbus, in the near term. As a result, we expect to continue to incur significant product development expenses in the foreseeable future as we invest in these long-term line-fit opportunities, which we believe will improve our long-term ability to onboard our connectivity equipment on new plane types in a more scalable and cost-effective manner.

Our Connectivity segment is dependent on satellite-capacity providers for satellite bandwidth and certain equipment and servers required to deliver the satellite stream, rack space at the supplier's data centers to house the equipment and servers and network operations service support. Through the Company's acquisition of Emerging Markets Communications on July 27, 2016 (the “EMC Acquisition”), we expanded the number of our major suppliers of satellite capacity and became a party to an agreement with Intelsat S.A. We also purchase radomes, satellite antenna systems and rings from key suppliers. Any interruption in supply from these important vendors could have a material impact on our ability to sell equipment and/or provide connectivity services to our customers. In addition, some of our satellite-capacity providers (many of whom are well capitalized) are now entering our markets and have begun competing with our service offerings, which has challenged our business relationships with them and created additional competition in our industry.

The growth of our Connectivity segment is dependent upon a number of factors, including the rates at which we increase the number of installed connectivity systems for new and existing customers, customer demand for connectivity services and the prices at (and pricing models under) which we can offer them, government regulations and approvals, customer adoption, take rates (or overall usage of our connectivity services by end-users), the general availability and pricing of satellite bandwidth globally, pricing pressures from our competitors, general travel industry trends, new and competing connectivity technologies, our ability to manage the underlying economics of connectivity services on a global basis and the security of those systems.

The success of our business depends, in part, on the secure and uninterrupted performance of our information technology systems. An increasing number of companies have disclosed cybersecurity breaches, some of which have involved sophisticated and highly targeted attacks on their computer networks. Despite our efforts to prevent, detect and mitigate these threats, including continuously working to install new, and upgrade our existing, information technology systems and increasing employee awareness around phishing, malware, and other cyber risks, there is no guarantee that such measures will be successful in protecting us from a cyber-attack. For example, a security-industry consultant informed us that he discovered an in-flight-WiFi-system vulnerability that could allow a third party to access through the Internet on-aircraft equipment utilized in our passenger connectivity system. Following receipt of this report, we identified the source of the vulnerability and resolved it. We notified the affected airline customers, and launched an investigation to determine full scope and impact of the issue, including by hiring third-party consultants. We determined that no compromise of passenger data occurred. Moreover, we determined that there was no risk to the safe operation of any flight, as we design our systems to be independent from critical aircraft and flight systems. We also consulted with the Aviation Information Sharing and Analysis Center (A-ISAC), an industry group whose members are leaders in the airline, airport, platform, satellite, engine, and equipment manufacturing segments of the aviation industry. We will continue to respond to any reported cybersecurity threats as they are identified to us and work with our suppliers, customers and experts to quickly mitigate any threats, but we believe that incidents of this nature are inherent in our industry and will continue to represent a significant reputational and business risk to our Connectivity segment’s growth and prospects, and those of our overall industry.

Our cost of sales, the largest component of our operating expenses, varies from period to period, particularly as a percentage of revenue, based upon the mix of the underlying equipment and service revenue that we generate. Cost of sales also varies period-to-period as we acquire new customers and to accommodate the growth of our Connectivity segment. During 2018, we have continued to increase our investment in satellite capacity over North America and the Middle East to facilitate the growth of our existing and new connectivity customer base, which has included purchases of satellite transponders. Depending on the timing of our satellite expenditures, our cost of sales as a percentage of our revenue may fluctuate from period to period.

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A substantial amount of our Connectivity segment's revenue is derived from Southwest Airlines, a U.S. based airline. Our contract with Southwest Airlines provides for a term of services through 2025, and includes a commitment from Southwest for live television services. We have continued to install our connectivity systems on additional Southwest Airlines aircraft. Under the contract, we committed to deploy increased service capacity (and our patented technology) to deliver a significantly enhanced passenger experience. Starting on July 1, 2017, we transitioned to a "monthly recurring charge" revenue model with Southwest Airlines that provides us with long-term revenue visibility. The contract also provides for additional rate cards for ancillary services and the adoption of a fleet management plan.

We plan to further expand our connectivity operations internationally to address opportunities in non-U.S. markets. As we expand our business further internationally in places such as the Middle East, Europe, Asia Pacific and Latin America, we will continue to incur significant incremental upfront expenses associated with these growth opportunities.

Material Weaknesses

We continue to expend significant time and resources remediating material weaknesses in our internal control over financial reporting. These weaknesses relate to our entity level control environment, financial statement close and reporting process, intercompany process, business combination, significant and unusual non-routine transactions, inventory, content library, internally developed software, long lived assets, goodwill impairment, accounts payable and accrued liabilities, revenue processes, license fee accruals, income taxes, payroll, stock-based compensation, treasury, and information technology processes. We may identify additional deficiencies that constitute material weaknesses as we continue to work to remediate our existing material weaknesses.

We are strongly committed to addressing these material weaknesses, which we believe will strengthen our business and we have commenced our remediation in this regard. However, we are uncertain as to our timing to complete the remediation, the extent to which such efforts will deplete our cash reserves and our ability to succeed in the remediation. If we are unable to establish and maintain effective internal control over financial reporting, we may be unable to timely file our periodic SEC reports or identify and forecast certain business trends and certain aspects of our financial performance, which could negatively impact our ability to focus on and achieve our business objectives.

Key Components of Consolidated Statements of Operations

There have been no material changes to the key components of our Condensed Consolidated Statements of Operations as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2017 Form 10-K.

Critical Accounting Policies

The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions. A summary of our critical accounting policies is presented in Part II, Item 7, of our 2017 Form 10-K. On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") and all related amendments. See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#). There were no other material changes to our critical accounting policies during the six months ended June 30, 2018.

Recent Accounting Pronouncements

See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#) to the unaudited condensed consolidated financial statements (Part I, Item 1 of this Form 10-Q) for discussion.

Results of Operations

The following tables set forth our results of operations for the periods presented. The information in the tables below should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Form 10-Q. The period-to-period comparisons of financial results in the tables below are not necessarily indicative of future results.

Unaudited Condensed Consolidated Statement of Operations Data (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	\$ 165,962	\$ 155,742	\$ 322,459	\$ 308,334
Operating expenses:				
Cost of sales	126,731	118,090	245,210	228,630
Sales and marketing	10,877	10,029	20,492	21,041
Product development	9,872	7,942	18,206	15,591
General and administrative	29,799	34,929	68,235	70,250
Provision for legal settlements	(141)	—	375	475
Amortization of intangible assets	10,357	10,860	20,920	21,868
Goodwill impairment	—	—	—	78,000
Total operating expenses	187,495	181,850	373,438	435,855
Loss from operations	(21,533)	(26,108)	(50,979)	(127,521)
Other expense	(20,655)	(13,998)	(34,201)	(35,380)
Loss before income taxes	(42,188)	(40,106)	(85,180)	(162,901)
Income tax (benefit) expense	3,722	4,024	(987)	6,840
Net loss	\$ (45,910)	\$ (44,130)	\$ (84,193)	\$ (169,741)

The following table provides, for the periods presented, the depreciation expense included in the above line items (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of sales	\$ 11,475	\$ 7,378	\$ 19,557	\$ 13,592
Sales and marketing	1,065	622	1,830	1,453
Product development	967	607	1,629	1,184
General and administrative	2,925	2,582	6,099	5,283
Total	\$ 16,432	\$ 11,189	\$ 29,115	\$ 21,512

The following table provides, for the periods presented, the stock-based compensation expense included in the above line items (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of sales	\$ 80	\$ 66	\$ 260	\$ 153
Sales and marketing	98	131	291	306
Product development	139	165	450	336
General and administrative	1,913	630	4,867	2,048
Total	\$ 2,230	\$ 992	\$ 5,868	\$ 2,843

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The following table provides, for the periods presented, our results of operations, as a percentage of revenue, for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	100 %	100 %	100 %	100 %
Operating expenses:				
Cost of sales	76 %	76 %	76 %	74 %
Sales and marketing	7 %	6 %	6 %	7 %
Product development	6 %	5 %	6 %	5 %
General and administrative	18 %	22 %	21 %	23 %
Provision for legal settlements	— %	— %	— %	— %
Amortization of intangible assets	6 %	7 %	6 %	7 %
Goodwill impairment	— %	— %	— %	25 %
Total operating expenses	113 %	117 %	116 %	141 %
Loss from operations	(13)%	(17)%	(16)%	(41)%
Other expense	(12)%	(10)%	(11)%	(6)%
Loss before income taxes	(25)%	(26)%	(26)%	(53)%
Income tax (benefit) expense	2 %	3 %	— %	2 %
Net loss	(28)%	(28)%	(26)%	(55)%

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Segment revenue, expenses and gross margin for the three months ended June 30, 2018 and 2017 derived from each our Media & Content and Connectivity segments were as follows (in thousands):

	Three Months Ended June 30,	
	2018	2017
Revenue:		
Media & Content		
Licensing and services	\$ 83,455	\$ 74,566
Connectivity		
Services	72,973	71,582
Equipment	9,534	9,594
Total	<u>82,507</u>	<u>81,176</u>
Total revenue	\$ 165,962	\$ 155,742
Cost of Sales:		
Media & Content		
Licensing and services	\$ 58,456	\$ 56,693
Connectivity		
Services	63,848	52,230
Equipment	4,427	9,167
Total	<u>\$ 68,275</u>	<u>\$ 61,397</u>
Total cost of sales	\$ 126,731	\$ 118,090
Gross margin:		
Media & Content	\$ 24,999	\$ 17,873
Connectivity	14,232	19,779
Total gross margin	39,231	37,652
Other operating expenses	60,764	63,760
Loss from operations	\$ (21,533)	\$ (26,108)

Revenue***Media & Content***

Media & Content operating segment revenue for the three months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Licensing and services	\$ 83,455	\$ 74,566	12%

Media & Content Licensing and Services Revenue

Media & Content licensing and services revenue increased \$8.9 million, or 12%, to \$83.5 million for the three months ended June 30, 2018, compared to \$74.6 million for the three months ended June 30, 2017. The increase was driven by a ramp up in content programming for previously-announced new customer contracts as well as expanded content programming with several of our existing airline partners.

Connectivity

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Connectivity operating segment revenue for the three months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Services	\$ 72,973	\$ 71,582	2 %
Equipment	9,534	9,594	(1)%
Total	<u>\$ 82,507</u>	<u>\$ 81,176</u>	2 %

Connectivity Services Revenue

Services revenue from our Connectivity operating segment increased \$1.4 million, or 2%, to \$73.0 million for the three months ended June 30, 2018, compared to \$71.6 million for the three months ended June 30, 2017. The increase in services revenue was predominantly driven by new aircraft, marine-vessel and land-site installations.

Connectivity Equipment Revenue

Equipment revenue from our Connectivity operating segment remained consistent year over year, decreasing \$0.1 million, or 1%, to \$9.5 million for the three months ended June 30, 2018, compared to \$9.6 million for the three months ended June 30, 2017.

Cost of Sales

Media & Content

Media & Content operating segment cost of sales for the three months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Licensing and services	\$ 58,456	\$ 56,693	3%

Media & Content cost of sales increased \$1.8 million, or 3%, to \$58.5 million for the three months ended June 30, 2018, compared to \$56.7 million for the three months ended June 30, 2017. However, cost of sales decreased as a proportion of Media & Content revenues to 70% for the three months ended June 30, 2018, compared to 76% for the three months ended June 30, 2017. The improvement in cost as a percentage of revenue was due to improved licensing procurement and operational processes.

Connectivity

Cost of sales for our Connectivity segment for the three months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Services	\$ 63,848	\$ 52,230	22 %
Equipment	4,427	9,167	(52)%
Total	<u>\$ 68,275</u>	<u>\$ 61,397</u>	11 %

Connectivity services cost of sales increased \$11.6 million, or 22%, to \$63.8 million for the three months ended June 30, 2018, compared to \$52.2 million for the three months ended June 30, 2017. As a percentage of Connectivity services revenue, Connectivity service cost of sales increased to 87% during the three months ended June 30, 2018, compared to 73% for the three months ended June 30, 2017. This increase was a result of our increased investment in satellite network capacity to support increased bandwidth requirements of existing customers and to fulfill new customer installations expected beginning in the third quarter of 2018.

Connectivity equipment cost of sales decreased \$4.7 million, or 52%, to \$4.4 million for the three months ended June 30, 2018 compared to \$9.2 million for the three months ended June 30, 2017. As a percentage of Equipment revenue, Connectivity equipment cost of sales decreased to 46% during the three months ended June 30, 2018, compared to 96% for the three months ended June 30, 2017. The decrease was primarily driven by product mix.

Other Operating Expenses

Other operating expenses for the three months ended June 30, 2018 and 2017 were as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Sales and marketing	\$ 10,877	\$ 10,029	8 %
Product development	9,872	7,942	24 %
General and administrative	29,799	34,929	(15)%
Provision for (reversal of) legal settlements	(141)	—	(100)%
Amortization of intangible assets	10,357	10,860	(5)%
Goodwill impairment	—	—	— %
Total	\$ 60,764	\$ 63,760	(5)%

Sales and Marketing

Sales and marketing expenses increased \$0.8 million, or 8%, to \$10.9 million for the three months ended June 30, 2018 compared to \$10.0 million for the three months ended June 30, 2017. The increase was as a result of one-time severance charges relating to our recent integration activities.

Product Development

Product development expenses increased \$1.9 million, or 24%, to \$9.9 million for the three months ended June 30, 2018, compared to \$7.9 million for the three months ended June 30, 2017. This increase was primarily a result of increased employee costs and hardware maintenance costs as a result of ongoing product development projects.

General and Administrative

General and administrative costs decreased \$5.1 million, or 15%, to \$29.8 million during the three months ended June 30, 2018, compared to \$34.9 million for the three months ended June 30, 2017. The decrease was primarily driven by a decrease in professional and outside services costs, including reductions in advisory services, audit fees, legal fees and outside contractors.

Reversal of Legal Settlements

The provision for legal settlements in the three months ended June 30, 2018 remained relatively consistent as compared to the three months ended June 30, 2017, with an immaterial reversal of legal provisions of \$0.1 million during the three months ended June 30, 2018. We did not record any provisions for legal expenses during the three months ended June 30, 2017. See [Note. 9 Commitments and Contingencies](#).

Amortization of Intangible Assets

Amortization expense decreased \$0.5 million, or 5%, to \$10.4 million during the three months ended June 30, 2018, compared to \$10.9 million for the three months ended June 30, 2017. The decrease was due to a portion of our acquired intangible assets from prior acquisitions becoming fully amortized during the period.

Goodwill Impairment

We did not identify any goodwill impairment triggers during the three months ended June 30, 2018 and 2017.

Other Income (Expense), net

Other expense for the three months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Three Months Ended June 30,		Change
	2018	2017	
Interest expense, net	\$ (19,755)	\$ (14,807)	33 %
Loss on extinguishment of debt	—	—	— %
Income from equity method investments	428	601	(29)%
Change in fair value of derivatives	(655)	(445)	47 %
Other (expense) income, net	(673)	653	(203)%
Total	\$ (20,655)	\$ (13,998)	48 %

Other expense increased \$6.7 million, or 48%, to \$20.7 million for the three months ended June 30, 2018 compared to expense of \$14.0 million for the three months ended June 30, 2017. The increase was driven primarily by the increase in interest expense of \$4.9 million, or 33%, during the three months ended June 30, 2018 as a result of the Searchlight investment. Additionally, Other (expense) income, net resulted in an expense of \$0.7 million for the three months ended June 30, 2018 compared to income of \$0.7 million for the three months ended June 30, 2017. The decrease of \$1.3 million was primarily due to fluctuations in foreign currency.

Income Tax Expense

We recorded an income tax expense of \$3.7 million and \$4.0 million for the three months ended June 30, 2018 and 2017, respectively. The tax provision for the three months ended June 30, 2018 is primarily attributable to the effects of foreign tax rate differences, foreign withholding taxes, changes in unrecognized tax benefits, and changes in valuation allowance. The tax provision during the three months ended June 30, 2017 was primarily attributable to changes in foreign income taxes resulting from fluctuations in the foreign subsidiaries' contribution to pretax income, withholding taxes and effects of permanent differences.

Six Months Ended June 30, 2018 and 2017

Operating Segments

Segment revenue, expenses and gross profit for the six months ended June 30, 2018 and 2017 derived from our Media & Content and Connectivity segments were as follows (in thousands):

	Six Months Ended June 30,	
	2018	2017
Revenue:		
Media & Content		
Licensing and services	\$ 158,369	\$ 150,945
Connectivity		
Services	144,585	138,845
Equipment	19,505	18,544
Total	164,090	157,389
Total revenue	\$ 322,459	\$ 308,334
Gross margin:		
Media & Content	\$ 45,459	\$ 39,996
Connectivity	31,790	39,708
Total gross margin	77,249	79,704
Other operating expenses	128,228	129,225
	—	78,000
Loss from operations	\$ (50,979)	\$ (127,521)

Revenue

Media & Content

Media & Content operating segment revenue for the six months ended June 30, 2018 and 2017 was as follows (in thousands, except percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Licensing and services	\$ 158,369	\$ 150,945	5%

Media & Content Licensing and Services Revenue

Media & Content licensing and services revenue increased \$7.4 million, or 5%, to \$158.4 million for the six months ended June 30, 2018, compared to \$150.9 million for the six months ended June 30, 2017. The \$7.4 million increase was driven by a ramp up in content programming for previously-announced new customer contracts as well as expanded content programming with several of our existing airline partners.

Connectivity

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Connectivity operating segment revenue for the six months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Services	\$ 144,585	\$ 138,845	4%
Equipment	19,505	18,544	5%
Total	\$ 164,090	\$ 157,389	4%

Connectivity Services Revenue

Connectivity services revenue increased \$5.7 million, or 4%, to \$144.6 million for the six months ended June 30, 2018, compared to \$138.8 million for the six months ended June 30, 2017. The increase in services revenue was predominantly driven by new aircraft, marine-vessel and land-site installations.

Connectivity Equipment Revenue

Connectivity equipment revenue increased \$1.0 million, or 5%, to \$19.5 million for the six months ended June 30, 2018 compared to \$18.5 million for the six months ended June 30, 2017. The increase was predominantly due to timing of equipment shipments and installations.

Cost of Sales

Media & Content

Media & Content operating segment cost of sales was as follows (in thousands, except for percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Licensing and services	\$ 112,910	\$ 110,949	2%

Media & Content cost of sales increased \$2.0 million, or 2%, to \$112.9 million for the six months ended June 30, 2018 compared to \$110.9 million for the six months ended June 30, 2017 as a result of the increased licensing and services revenue from new and existing customers. As a percentage of Media & Content revenue, cost of sales decreased to 71% during the six months ended June 30, 2018, compared to 74% for the six months ended June 30, 2017. The improvement in cost as percentage of revenue was due to improved licensing procurement processes.

Connectivity

Connectivity operating segment cost of sales was as follows (in thousands, except for percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Services	\$ 121,885	\$ 100,846	21 %
Equipment	10,415	16,835	(38)%
Total	\$ 132,300	\$ 117,681	12 %

Connectivity services cost of sales increased \$21.0 million, or 21%, to \$121.9 million for the six months ended June 30, 2018 compared to \$100.8 million for the six months ended June 30, 2017. As a percentage of Connectivity service revenue, Connectivity service cost of sales increased to 84% during the six months ended June 30, 2018, compared to 73% for the six months ended June 30, 2017. This increase was predominantly driven by increased bandwidth and backhaul costs to support increased bandwidth requirements of existing customers and to fulfill new customer installations. Additionally, depreciation increased principally as a result of our transponders purchased in the first quarter of 2018.

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Connectivity equipment cost of sales decreased \$6.4 million, or 38%, to \$10.4 million for the six months ended June 30, 2018 compared to \$16.8 million for the six months ended June 30, 2017. As a percentage of Connectivity equipment revenue, Connectivity equipment cost of sales decreased to 53% during the six months ended June 30, 2018 compared to 91% for the six months ended June 30, 2017. The decrease in equipment cost of sales was predominantly as a result of improved product mix.

Other Operating Expenses

Other operating expenses for the six months ended June 30, 2018 and 2017 were as follows (in thousands, except for percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Sales and marketing	\$ 20,492	\$ 21,041	(3)%
Product development	18,206	15,591	17 %
General and administrative	68,235	70,250	(3)%
Provision for legal settlements	375	475	(21)%
Amortization of intangible assets	20,920	21,868	(4)%
Goodwill impairment	—	78,000	(100)%
Total	\$ 128,228	\$ 207,225	(38)%

Sales and Marketing

Sales and marketing expenses decreased \$0.5 million, or 3%, to \$20.5 million for the six months ended June 30, 2018, compared to \$21.0 million for the six months ended June 30, 2017. The decrease reflects synergies resulting from the integration of our sales and marketing functions.

Product Development

Product development expense increased \$2.6 million, or 17%, to \$18.2 million for the six months ended June 30, 2018, compared to \$15.6 million for the six months ended June 30, 2017. This increase resulted primarily from increased employee costs and hardware maintenance costs generated by ongoing product development projects.

General and Administrative

General and administrative costs decreased \$2.0 million, or 3%, to \$68.2 million during the six months ended June 30, 2018, compared to \$70.3 million for the six months ended June 30, 2017. The decrease was primarily driven by a decrease in professional and outside services costs, including reductions in advisory services, audit fees, legal fees and outside contractors.

Provision for Legal Settlements

The provision for legal settlements remained relatively consistent with an immaterial release of \$0.1 million to \$0.4 million during the six months ended June 30, 2018, compared to \$0.5 million for the six months ended June 30, 2017.

Amortization of Intangible Assets

Amortization expense decreased \$0.9 million, or 4%, to \$20.9 million during the six months ended June 30, 2018, compared to \$21.9 million for the six months ended June 30, 2017. The decrease was due to a portion of our acquired intangible assets from prior acquisitions becoming fully amortized during the period.

Goodwill Impairment

No goodwill impairment trigger was identified during the six months ended June 30, 2018.

During the first quarter of 2017 we assessed our goodwill for impairment due to several reasons including a significant decline in the market capitalization of the Company and lower than expected financial results in its Maritime & Land Connectivity reporting unit during the three months ended March 31, 2017. We determined that there was a higher degree of

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uncertainty in achieving our financial projections for this unit and as such, increased its discount rate, which reduced the fair value of the unit. We also adopted ASU 2017-04, Intangibles-Goodwill and Others (Topic 350): Simplifying the Test for Goodwill Impairment, effective January 1, 2017, which eliminated Step 2 from the goodwill impairment test, requiring a company to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Applying this methodology, we recorded an impairment of charge \$78.0 million in this reporting unit as of March 31, 2017. There was no impairment charge in this reporting unit in the quarter ended June 30, 2017.

Other Income (Expense), net

Other income (expense) for the six months ended June 30, 2018 and 2017 was as follows (in thousands, except for percentages):

	Six Months Ended June 30,		Change
	2018	2017	
Interest expense, net	\$ (35,352)	\$ (25,771)	37 %
Loss on extinguishment of debt	—	(14,389)	(100)%
Income from equity method investments	1,589	2,140	(26)%
Change in fair value of derivatives	(91)	2,475	(104)%
Other income (expense), net	(347)	165	(310)%
Total	\$ (34,201)	\$ (35,380)	(3)%

Other expense decreased \$1.2 million, or 3%, to \$34.2 million for the six months ended June 30, 2018 compared to \$35.4 million for the six months ended June 30, 2017. The decrease was primarily due to additional interest expense of \$9.6 million, as a result of our increased long-term debt balance offset by the loss on extinguishment of debt of \$14.4 million which we incurred during the three months ended March 31, 2017 arising as a result of the refinancing of the legacy EMC indebtedness into a larger credit facility. Additionally, the change in fair value of our derivative instruments resulted in expense of \$0.1 million during the six months ended June 30, 2018, compared to income of \$2.5 million during the six months ended June 30, 2017—a decrease of \$2.6 million. The change was predominantly due to a decline in fair value of the contingently issuable shares in the six months ended June 30, 2017. Other income (expense), net resulted in an expense of \$0.3 million for the six months ended June 30, 2018, compared to income of \$0.2 million for the six months ended June 30, 2017. The decrease of \$0.5 million was primarily due to fluctuations in foreign currency.

Income Tax Expense

The income tax benefit was \$1.0 million for the six months ended June 30, 2018, compared to a provision of \$6.8 million for the six months ended June 30, 2017. The tax benefit during the six months ended June 30, 2018 was primarily attributable to the realizable benefit against the Company's deferred tax liabilities that can be reduced by the U.S. federal indefinite life net operating loss and interest expense carryover that are no longer subject to expiration pursuant to the Tax Cuts and Jobs Act of 2017. The tax provision during the six months ended June 30, 2017 is primarily attributable to foreign income taxes, goodwill impairment and change in the valuation allowance.

Financial Condition, Liquidity and Capital Resources

Selected financial data for the periods presented below were as follows (in thousands):

	June 30, 2018	December 31, 2017
Cash and cash equivalents	\$ 37,403	\$ 48,260
Total assets	824,477	860,584
Current portion of long-term debt	19,595	20,106
Long-term debt	633,527	598,958
Total stockholders' deficit	(79,143)	(25,475)

Current Financial Condition

The following reflects the financial condition of our business and operations as of June 30, 2018 as well as material developments relating thereto through the date of filing of this Form 10-Q:

As of June 30, 2018, our principal sources of liquidity were our cash and cash equivalents of \$37.4 million and our revolving credit facility. Our cash is invested primarily in cash and money market funds in banking institutions in the U.S., Canada and Europe and to a lesser extent in Asia Pacific. Our long term debt balance increased from \$619.1 million at December 31, 2017 to \$653.1 million at June 30, 2018. This was primarily driven by the Searchlight investment, which increased our long-term debt balance by \$150.0 million (which amount represents the net of cash proceeds less the amounts allocated to the attached equity warrants as discussed further below), partially offset by the pay down of \$78.0 million in outstanding principal balance on our revolving credit facility under the 2017 Credit Agreement (“2017 Revolving Loans”) as well as principal payments on 2017 Credit Agreement and other debts of \$6.7 million.

The Searchlight investment provided net proceeds of \$143.0 million in exchange for \$150.0 million in aggregate principal amount of our new Second Lien Notes. This was combined with warrants issued to Searchlight to acquire an aggregate of 18,065,775 shares of our common stock, at an exercise price of \$0.01 per share (the “Penny Warrants”), and warrants to acquire an aggregate of 13,000,000 shares of our common stock at an exercise price of \$1.57 per share (the “Market Warrants”). We used the proceeds of this indebtedness to repay then-existing indebtedness (including the 2017 Revolving Loans), to fund our working-capital and capital-expenditure requirements and for general corporate purposes.

As of June 30, 2018, we had \$458.8 million (aggregate principal amount), net of discounts, in term loans outstanding under our 2017 Credit Agreement; no drawn balance under the 2017 Revolving Loans (other than approximately \$6.2 million in letters of credit outstanding thereunder); \$150.0 million (aggregate principal amount) of outstanding Second Lien Notes outstanding; \$82.5 million (aggregate principal amount) of convertible notes outstanding; and other debt outstanding of \$5.2 million. We expect to draw on the 2017 Revolving Loans from time to time to fund our working capital needs and for other general corporate purposes. Please see [Note 8, Financing Arrangements](#) to the unaudited condensed consolidated financial statements (Part I, Item 1 of this Form 10-Q) for a discussion of our indebtedness.

As of June 30, 2018, we had approximately \$5.4 million of restricted cash (which amount is excluded from the \$37.4 million of cash and cash equivalents noted in the table above) which was attached to letters of credit between our subsidiaries and certain customers.

Our cash flows from operating activities are significantly affected by our investments in operations, including working capital and corporate infrastructure to support our ability to generate revenue and conduct operations through cost of services, product development, sales and marketing, and general and administrative activities. Cash used in operations was \$42.8 million and \$59.9 million (as recast for the impacts of ASU 2016-18) for the six months ended June 30, 2018 and 2017, respectively. Cash used in investing activities has historically been, and is expected to continue to be, impacted significantly by our investments in our platform, our infrastructure and equipment for our business offerings and resources to remediate material weaknesses. Cash provided by financing activities has been significantly impacted by our refinancing of legacy EMC indebtedness with the 2017 Credit Agreement during the six months ended June 30, 2017 and the issuance of the Second Lien Notes during the six months ended June 30, 2018. Historically, cash used for financing activities included repurchases of our common stock, warrant repurchases,

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and the repayment of debt. During the six months ended June 30, 2018 our operating and investing cash flows were negatively impacted by incremental working capital needs and increased capital expenditures as we continue to restructure our operations and ramp up our business for both new customer wins and volume and capacity growth within our existing customers.

As of June 30, 2018, our consolidated unrestricted cash balance was approximately \$37.4 million, of which approximately \$26.2 million was held by our non-U.S. subsidiaries. If we decide to repatriate our non-U.S. cash holdings, we may incur a tax liability under U.S. tax laws on any amount that we repatriate into the U.S. In the event we elect to repatriate any of these funds, we believe we have sufficient net operating losses for the foreseeable future to offset any U.S. tax owed on repatriated income. As a result, we do not expect any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate.

We expect our available cash balances and cash flows from operations (combined with the availability under the 2017 Revolving Loans) to provide sufficient liquidity to fund our current obligations and projected working-capital and capital-expenditure requirements for at least the next 12 months. To strengthen our current liquidity position and to fund our ongoing operations and/or enable us to invest in new business opportunities, we have implemented cost reduction initiatives and/or may raise additional funds through asset sales, commercial financings, new revolving and term-loan facilities and the issuance of bonds, debentures and equity and equity-linked securities (in public or private offerings). However, market conditions, our future financial performance, and our history of delays in filing our periodic SEC reports among other factors, may make it difficult or impossible for us to access debt or equity sources of capital, on favorable terms or at all, should we determine in the future to raise additional funds through these methods.

Our assessment that we will have sufficient liquidity to continue as a going concern for at least the next 12 months is based on our completion on March 27, 2018 of the Second Lien Notes issuance (as discussed in [Note 8. Financing Arrangements](#)), which provided net cash proceeds of approximately \$143.0 million (of which we subsequently used a portion thereof to pay down approximately \$78.0 million of our revolving credit facility) and on underlying estimates and assumptions, including that we: (i) timely file our periodic reports with the SEC; (ii) timely service our indebtedness and comply with the covenants (including the financial-reporting covenants) in the agreements governing our indebtedness; and (iii) remain listed on Nasdaq, including by maintaining a minimum \$1.00 per-share stock price requirement pursuant to Nasdaq's listing rules.

If we are unable to service our indebtedness or satisfy the covenants (including the financial reporting covenants) in the agreements governing our indebtedness (or obtain additional waivers (if needed)), our lenders and noteholders have the option to immediately accelerate all outstanding indebtedness, which we may not have the ability to repay. We intend to satisfy our current debt service obligations with its existing cash and cash equivalents and through accessing our 2017 Revolving Loans. However, in the event we may not have sufficient funds or may be unable to arrange for additional financing to pay the future amounts due under our existing debt instruments in the event of an acceleration event or repurchase event (such as would be triggered in the event that we are delisted from Nasdaq in the future). In this event, funds from external sources may not be available on acceptable terms, if at all.

Cash and Cash Equivalents

Our cash and cash equivalents are maintained at several financial institutions. Deposits held may exceed the amount of insurance provided on such deposits. Generally, our deposits may be redeemed upon demand and are maintained with a financial institution of reputable credit and, therefore, bear minimal credit risk. As of June 30, 2018 and December 31, 2017 approximately \$26.2 million and \$19.7 million of our cash and cash equivalents, respectively, were held by our foreign subsidiaries. If we decide to repatriate our non-U.S. cash holdings, we may incur a tax liability under U.S. tax laws on any amount that we repatriate into the U.S. In the event we elect to repatriate any of these funds, we believe we have sufficient net operating losses for the foreseeable future to offset any U.S. tax owed on repatriated income. As a result, we do not expect any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate

Sources and Uses of Cash—Six Months Ended June 30, 2018 and 2017

A summary of our cash flow activities for the six months ended June 30, 2018 and 2017 is as follows (in thousands):

	Six Months Ended June 30,	
	2018	2017
Net cash used in operating activities	\$ (42,827)	\$ (59,866)
Net cash used in investing activities	(24,472)	(41,638)
Net cash provided by financing activities	58,320	100,194
Effects of exchange rate changes on cash and cash equivalents	(96)	371
Net increase in cash and cash equivalents	(9,075)	(939)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD ¹	51,868	68,678
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD ¹	\$ 42,793	\$ 67,739

¹ June 30, 2017 figures have been recast to include the impact of the adoption of ASU 2016-18. See [Note 2. Basis of Presentation and Summary of Significant Accounting Policies](#)

Figures denoted below with “*” have been recast to include the impact of the adoption of ASU 2016-18:

Cash Flows Used in Operating Activities*Six Months Ended June 30, 2018*

Net cash used in our operating activities of \$42.8 million primarily reflects our net loss of \$84.2 million during the period, which included net non-cash charges of \$59.2 million primarily related to depreciation and amortization expenses of \$50.0 million and other items netting to a charge of \$9.2 million.

The remainder of our sources of cash used in operating activities was as a result of net cash outflows of \$17.9 million resulting from changes in working capital balances, predominantly driven by cash outflows due to a reduction in accounts payable balances as well as an increase in inventory due to additional equipment purchased for new customers and an increase in our content library. This was partially offset by cash inflows as a result of a decrease in accounts receivables due to improved collections.

Six Months Ended June 30, 2017

Net cash used in our operating activities of \$59.9 million* primarily reflects our net loss of \$169.7 million during the period, which included net non-cash charges of \$148.8 million. These non-cash charges primarily related to a goodwill impairment charge of \$78.0 million, along with the loss on extinguishment of debt of \$14.4 million, normal depreciation and amortization expenses of \$42.8 million and other items netting to a charge of \$13.6 million.

The remainder of our sources of cash used in operating activities of \$38.9 million* resulted from changes in working capital driven by cash outflows from working capital changes predominantly as a result of decreases in accounts payable due to timing of payments, an increase in accounts receivable due to slower than anticipated collections, a decrease in our content library liabilities, partially offset by a decrease in our prepaid expenses and other current assets.

Cash Flows Used in Investing Activities*Six Months Ended June 30, 2018*

Net cash used in investing activities during the six months ended June 30, 2018 of \$24.5 million was due to purchases of property, plant and equipment, principally relating to the transponders purchased and expanding connectivity infrastructure to support our growth.

Six Months Ended June 30, 2017

Net cash used in investing activities of \$41.6 million* was due to purchase of property, plant and equipment, principally relating to the receipt of SES Tranche 2 Transponders along with subsidized equipment shipments to Fly Dubai and Avianca and the receipt of the final \$1.3 million from the seller of the EMC business (relating to the working capital adjustment escrow in the EMC purchase agreement).

Cash Flows Provided by Financing Activities*Six Months Ended June 30, 2018*

Net cash provided by financing activities of \$58.3 million was primarily due to net proceeds of \$143.0 million received in connection with the Searchlight investment, as discussed in [Note 8. Financing Arrangements](#). This was partially offset by the repayment in full of our senior secured revolving credit facility in the amount of \$78.0 million and principal payments on our senior secured term loan facility and other debts of approximately \$6.7 million.

Six Months Ended June 30, 2017

Net cash provided by financing activities of \$100.2 million was primarily due to net proceeds of \$485.0 million received as a result of our January 2017 refinancing of indebtedness that we assumed from EMC in the EMC Acquisition with a larger credit facility. The new 2017 Credit Agreement, entered into in January 2017, consisted of a six-year \$500 million senior secured term loan facility (fully drawn at the close of the refinancing) and a five-year \$85 million senior secured revolving credit facility. The remaining \$50.0 million of cash inflows from financing activities relates to a drawdown of the new senior secured revolving credit facility during the six months ended June 30, 2017. These receipts were offset by repayments of the EMC indebtedness of \$412.4 million and issuance costs for the 2017 Credit Agreement of \$17.9 million and other debt repayments of \$3.7 million. Additionally, we made a contingent earn-out payment of \$0.8 million relating to a previous acquisition made in 2015.

Long-Term Debt

As of June 30, 2018 and December 31, 2017, our long-term debt consisted of the following (in thousands):

	June 30, 2018	December 31, 2017
Senior secured term loan facility, due January 2023 ⁽⁺⁾	\$ 484,375	\$ 490,625
Senior secured revolving credit facility, due January 2022 ⁽⁺⁾⁽¹⁾	—	78,000
Second lien notes, due 2023 ⁽²⁾	150,000	—
2.75% convertible senior notes due 2035 ⁽³⁾	82,500	82,500
Other debt	5,183	9,075
Unamortized bond discounts, fair value adjustments and issue costs, net	(68,936)	(41,136)
Total carrying value of debt	653,122	619,064
Less: current portion, net	(19,595)	(20,106)
Total non-current	<u>\$ 633,527</u>	<u>\$ 598,958</u>

(+) This facility is a component of the 2017 Credit Agreement.

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- (1) In the second quarter of 2018, we used a portion of the proceeds of the issuance of our Second Lien Notes to repay the full \$78 million principal balance on our revolving credit facility. We expect to draw on the revolving credit facility from time to time to fund our working capital needs and for other general corporate purposes.
- (2) The principal amount outstanding of the Second Lien Notes, due 2023 as set forth in the foregoing table was \$150.0 million as of June 30, 2018, and is not the carrying amount of the indebtedness (*i.e.* outstanding principal amount net of debt issuance costs and discount associated with the equity component). The value allocated to the attached penny warrants and market warrants for financial reporting purposes was \$14.9 million and \$9.3 million, respectively. These qualify for classification in stockholders' equity and are included in the condensed consolidated balance sheets within "Additional paid-in capital".
- (3) The principal amount outstanding of the 2.75% convertible senior notes due 2035 as set forth in the foregoing table was \$82.5 million as of June 30, 2018, and is not the carrying amounts of this indebtedness (*i.e.*, outstanding principal amount net of debt issuance costs and discount associated with the equity component). The carrying amount was \$70.1 million and \$69.7 million as of June 30, 2018 and December 31, 2017, respectively.

The aggregate contractual maturities of all borrowings as of June 30, 2018 were as follows (in thousands):

Years Ending December 31,	Amount
2018 (remaining six months)	\$ 9,811
2019	22,567
2020	25,376
2021	25,043
2022	25,044
Thereafter	614,217
Total	\$ 722,058

The foregoing table excludes earn-out liabilities of \$0.1 million relating to our prior acquisitions in 2015, in which we agreed to future contingent earn-out obligations relating to future performance of those businesses. Potential payouts are expected on specified dates through 2020. Also excluded are future purchase commitments with some of our connectivity vendors to secure future inventory for our airline customers and commitments related to ongoing engineering and antenna projects. At June 30, 2018, we also had outstanding letters of credit in the amount of \$7.4 million, of which \$6.2 million was issued under the letter of credit facility under the 2017 Credit Agreement.

As of June 30, 2018, the principal balance on our outstanding term loan under the 2017 Credit Agreement was \$484.4 million. On May 10, 2018, we used a portion of the proceeds of the issuance of our Second Lien Notes to repay the full \$78 million principal balance on our revolving credit facility. We expect to draw on the revolving credit facility from time to time to fund our working capital needs and for other general corporate purposes.

Covenant Compliance Under the 2017 Credit Agreement

Under the 2017 Credit Agreement, we are subject to a financial-reporting covenant ("Financial-Reporting Covenant") and a maximum leverage ratio covenant (the "Leverage Ratio") (each of which we describe below), in addition to other customary covenants and restrictions set forth therein.

The Financial Reporting Covenant requires us to furnish to our lenders our audited annual financial statements and unaudited interim financial statements by deadlines specified in the 2017 Credit Agreement.

The Leverage Ratio (which is tested at the end of each fiscal quarter) requires that we maintain a ratio of Consolidated First Lien Net Debt (as defined in the 2017 Credit Agreement) to Consolidated EBITDA (as defined in the 2017 Credit Agreement) for the trailing 12 months that is no greater than 4.5 to 1 through the quarter ending June 30, 2019, after which period the permitted Leverage Ratio steps down through the maturity date of the 2017 Credit Agreement as set forth therein.

As of June 30, 2018, we were in compliance with the Leverage Ratio, and based on our current projections, we expect to remain in compliance with the Leverage Ratio for at least the next 12 months.

You should also refer to the section titled "Risks Related to Our Indebtedness" in Part I, Item 1A. Risk Factors in our 2017 Form 10-K, for an explanation of the consequences of our failure to satisfy these covenants.

Contractual Obligations

For a discussion of movie license and Internet protocol television commitments, minimum lease obligations, satellite capacity, and other contractual commitments as of June 30, 2018 and for periods subsequent thereto, see [Note 9. Commitments and Contingencies](#) to the unaudited condensed consolidated financial statements (contained in Part I, Item 1 of this Form 10-Q).

Off-Balance Sheet Arrangements

As of June 30, 2018, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes during the six months ended June 30, 2018, to the information provided in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the year ended December 31, 2017.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

As of the end of the period covered by this Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) pursuant to Rule 13a-15 of the Exchange Act. Based upon that evaluation, as a result of the material weaknesses in internal control over financial reporting identified in our 2017 Form 10-K, our Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer) concluded that as of June 30, 2018 (the end of the period covered by this Form 10-Q) the Company's disclosure controls and procedures were not effective.

Notwithstanding the material weaknesses in our internal control over financial reporting, we have concluded that the condensed consolidated financial statements included in this Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

Changes in Internal Control Over Financial Reporting

We remain in the process of implementing remediation initiatives to support our plan to remediate our material weaknesses, as described in our 2017 Form 10-K. In addition to these initiatives, management designed and implemented additional controls during the first quarter of 2018 in connection with the adoption of Topic 606. There have been no other changes in our internal control over financial reporting during the three months ended June 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Certain legal proceedings in which we are involved are discussed in Part I, Item 3 of our 2017 Form 10-K and in [Note 9, Commitments and Contingencies](#), to the condensed consolidated financial statements included in this Form 10-Q.

There have been no material updates to the legal proceedings disclosed in Part I, Item 3 of our 2017 Form 10-K, as updated by our Form 10-Q for the quarter ended March 31, 2018.

ITEM 1A. RISK FACTORS

Our risk factors are described in the “Risk Factors” section of our 2017 Form 10-K. There have been no material changes to our risk factors since the filing of the 2017 Form 10-K.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Exhibit Index	Incorporated by Reference			
		Form	SEC File No.	Exhibit	Filing Date
2.1*	Asset Purchase Agreement, dated as of May 8, 2013, by and among the Company and the other parties thereto.	8-K	001-35176	2.1	7/10/2013
4.1	Consent to the Amended and Restated Registration Rights Agreement among the Company and PAR Investment Partners, L.P., dated April 20, 2018.	10-Q	001-35176	4.9	5/15/2018
4.2*	Amendment No. 1 to the Amended and Restated Registration Rights Agreement among the Company and certain holders party thereto, dated October 21, 2013.	8-K	001-35176	10.4	10/21/2013
10.1+	Amended and Restated Limited Liability Company Agreement of Wireless Maritime Services, LLC, dated as of May 10, 2018, by and between New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc. and Maritime Telecommunications Network, Inc.	10-Q	001-35176	10.4	5/15/2018
10.2*	Market Warrant, dated as of March 27, 2018, issued by Global Eagle Entertainment Inc. to Searchlight II TBO-W, L.P.	8-K	001-35176	10.3	2/27/2018
10.3	Amendment to Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan.	10-Q	001-35176	10.56	5/15/2018
10.4	Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan.	8-K	001-35176	10.1	6/29/2018
10.5	Employment Letter Agreement, dated as of April 17, 2018, by and between the Company and Per Noren.	10-Q	001-35176	10.63	5/15/2018
10.6	UK Employment Letter Agreement, dated as of July 20, 2018, by and between Global Eagle Entertainment Limited and Walé Adepoju.	8-K	001-35176	10.1	7/26/2018
10.7*	Amendment No. 2 to the Executive Employment Agreement, dated March 10, 2016, by and between the Company and David M. Davis.	10-K	001-35176	10.30	3/17/2016
10.8*	Consulting Agreement, dated as of July 1, 2017, by and between the Company and Kevin Trosian.	10-K	001-35176	10.60	11/17/2017
10.9	Form of Indemnity Agreement				X
10.10	Outside Director Compensation Program				X
10.11	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Non-Qualified Stock Option Grant Notice and Award Agreement (Cash Settled \$4 Performance Goal)				X
10.12	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Non-Qualified Stock Option Grant Notice and Award Agreement (Cash Settled \$8 Performance Goal)				X

	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Non-Qualified Stock Option Grant Notice and Award Agreement (No Performance Goal)	X
10.13	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Performance-Based Restricted Stock Unit Grant Notice and Award Agreement (\$4 Performance Goal)	X
10.14	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Restricted Stock Unit Grant Notice and Award Agreement	X
10.15	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Non-Qualified Stock Option Grant Notice and Award Agreement for Non-Employee Directors	X
10.16	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).	X
31.1	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).	X
31.2	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.	X
32.1	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.	X
32.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.	X
101.INS	XBRL Instance Document XBRL Taxonomy Extension Presentation Linkbase	X
101.PRE	Document	X
101.SCH	XBRL Taxonomy Extension Schema Document XBRL Taxonomy Extension Calculation Linkbase	X
101.CAL	Document XBRL Taxonomy Extension Definition Linkbase	X
101.DEF	Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document Confidential treatment has been granted for certain portions omitted from this Exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.	X
+	Replaces previously filed exhibit to correct inaccurate hyperlink.	
*		

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on August 9, 2018.

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ PAUL RAINNEY

Paul Rainey

Chief Financial Officer

(Principal Financial Officer)

INDEMNITY AGREEMENT

This Indemnity Agreement (this “***Agreement***”) is made as of [DATE], by and between Global Eagle Entertainment Inc., a Delaware corporation (the “Company”), and [INDIVIDUAL] (“***Indemnitee***”).

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly- held corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of such corporations.

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

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, hold harmless, exonerate and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so protected against liabilities.

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter and Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to

serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

TERMS AND CONDITIONS

1. SERVICES TO THE COMPANY. Indemnitee will serve or continue to serve as an officer, director or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his resignation. The foregoing notwithstanding, this Agreement shall continue in full force and effect after Indemnitee has ceased to serve as a director or officer of the Company, as provided in Section 17.

2. DEFINITIONS. As used in this Agreement:

(a) References to "**agent**" shall mean any person who is or was a director, officer or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) The terms "**Beneficial Owner**" and "**Beneficial Ownership**" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as defined below) as in effect on the date hereof.

(c) A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) **Acquisition of Stock by Third Party.** Any Person (as defined below) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors, unless (1) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (2) such acquisition was approved in advance by the Continuing Directors (as defined below) and such acquisition would not constitute a Change in Control under part (iii) of this definition;

(ii) **Change in Board of Directors.** Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two thirds of the directors then still in office who were directors on the date hereof or whose election for nomination for election was previously so approved (collectively, the "**Continuing Directors**"), cease for any reason to constitute at least a majority of the members of the Board;

(iii) **Corporate Transactions.** The effective date of a reorganization, merger or consolidation of the Company (a "**Business Combination**"), in each case, unless, following

such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination, of the securities entitled to vote generally in the election of directors; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the surviving corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination;

(iv) **Liquidation**. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, other than factoring the Company's current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or

(v) **Other Events**. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

(d) ***“Corporate Status”*** describes the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise (as defined below) which such person is or was serving at the request of the Company.

(e) ***“Delaware Court”*** shall mean the Court of Chancery of the State of Delaware.

(f) ***“Disinterested Director”*** shall mean a director of the Company who is not and was not a party to the Proceeding (as defined below) in respect of which indemnification is sought by Indemnitee.

(g) ***“Enterprise”*** shall mean the Company and any other corporation, constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is

or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

(h) **"Exchange Act"** shall mean the Securities Exchange Act of 1934, as amended.

(i) **"Expenses"** shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including, without limitation, all attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in, a Proceeding (as defined below), including reasonable compensation for time spent by the Indemnitee for which he or she is not otherwise compensated by the Company or any third party. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding (as defined below), including without limitation the principal, premium, security for, and other costs relating to any cost bond, *supersedeas* bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(j) References to "**fines**" shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(k) **"Independent Counsel"** shall mean a law firm or a member of a law firm with significant experience in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding (as defined below) giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(l) The term "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that "Person" shall exclude: (i) the Company; (ii) any Subsidiaries (as defined below) of the Company; (iii) any employment benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company; and (iv) any trustee or other fiduciary

holding securities under an employee benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(m) The term "***Proceeding***" shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative nature, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action (or failure to act) taken by him or of any action (or failure to act) on his part while acting as a director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement.

(n) The term "***Subsidiary***," with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

3. INDEMNITY IN THIRD-PARTY PROCEEDINGS. To the fullest extent permitted by applicable law, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Section 3 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

4. INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY. To the fullest extent permitted by applicable law, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification, hold harmless or exonerations for Expenses shall be made under this Section 4 in respect of any claim,

issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification, to be held harmless or to exoneration.

5. INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY

SUCCESSFUL. Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which the Indemnitee was successful. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. INDEMNIFICATION FOR EXPENSES OF A WITNESS . Notwithstanding any other provision of

this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall, to the fullest extent permitted by applicable law, be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

7. ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS .

Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnification, hold harmless or exoneration rights shall be available under this Section 7 on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

**8. CONTRIBUTION IN THE EVENT OF JOINT
LIABILITY.**

(a) To the fullest extent permissible under applicable law, if the indemnification, hold harmless and/or exoneration rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying, holding

harmless or exonerating Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

(b) The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(c) The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company other than Indemnitee who may be jointly liable with Indemnitee.

9. EXCLUSIONS. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification, hold harmless or exoneration payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity provision or otherwise;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) except as otherwise provided in Sections 14(e)-(f) hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, hold harmless or exoneration payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. ADVANCES OF EXPENSES; DEFENSE OF CLAIM.

(a) Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent not prohibited by applicable law, the Company shall pay the Expenses incurred by Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with any Proceeding within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, prior to the final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to be indemnified, held harmless or exonerated under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. To the fullest extent required by applicable law, such payments of Expenses in advance of the final disposition of the Proceeding shall be made only upon

the Company's receipt of an undertaking, by or on behalf of the Indemnitee, to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Charter, the Bylaws, applicable law or otherwise. This Section 10(a) shall not apply to any claim made by Indemnitee for which an indemnification, hold harmless or exoneration payment is excluded pursuant to Section 9.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

(c) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Indemnitee without the Indemnitee's prior written consent.

11. PROCEDURE FOR NOTIFICATION AND APPLICATION FOR INDEMNIFICATION.

(a) Indemnitee agrees to notify promptly the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, hold harmless or exoneration rights, or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement, or otherwise.

(b) Indemnitee may deliver to the Company a written application to indemnify, hold harmless or exonerate Indemnitee in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined according to Section 12(a) of this Agreement.

12. PROCEDURE UPON APPLICATION FOR INDEMNIFICATION.

(a) A determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification shall be made in the specific case by one of the following methods, which shall be at the election of Indemnitee: (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (ii) by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. If the Independent Counsel is selected by the Board, the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

13. PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company

(including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board, any committee of the Board or any director, or on information or records given or reports made to the Enterprise, its Board, any committee of the Board or any director, by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise, its Board, any committee of the Board or any director. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

14. REMEDIES OF INDEMNITEE.

(a) In the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within thirty (30) days after receipt by the Company

of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6, 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vii) payment to Indemnitee pursuant to any hold harmless or exoneration rights under this Agreement or otherwise is not made within ten (10) days after receipt by the Company of a written request therefor, Indemnitee shall be entitled to an adjudication by the Delaware Court to such indemnification, hold harmless, exoneration, contribution or advancement rights. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, Indemnitee shall be presumed to be entitled to be indemnified, held harmless, exonerated to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to be indemnified, held harmless, exonerated and to receive advances of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 12(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 10 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) pay to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) to enforce his rights under, or to recover damages

for breach of, this Agreement or any other indemnification, hold harmless, exoneration, advancement or contribution agreement or provision of the Charter, or the Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, hold harmless or exoneration right, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).

(f) Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies, holds harmless or exonerates, or is obliged to indemnify, hold harmless or exonerate for the period commencing with the date on which Indemnitee requests indemnification, to be held harmless, exonerated, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

15. SECURITY. Notwithstanding anything herein to the contrary, to the extent requested by the Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to the Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

16. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; SUBROGATION.

(a) The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any Proceeding (regardless of when such Proceeding is first threatened, commenced or completed) arising out of, or related to, any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification, hold harmless or exoneration rights or advancement of Expenses than would be afforded currently under the Charter, the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The DGCL, the Charter and the Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("**Indemnification Arrangements**") on behalf of Indemnitee against any liability asserted against him or incurred by or on behalf of him or in such capacity as a director, officer, employee or agent of the Company, or arising out of

his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) The Company's obligation to indemnify, hold harmless, exonerate or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification, hold harmless or exoneration payments or advancement of expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (i) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification, hold harmless, exoneration, advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (ii) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, hold harmless, exoneration, contribution or insurance coverage rights against any person or entity other than the Company.

17. DURATION OF AGREEMENT. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee serves as a director or officer of the Company or as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee serves at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement) by reason

of his Corporate Status, whether or not he is acting in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

18. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

**19. ENFORCEMENT AND BINDING
EFFECT.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer or key employee of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification, hold harmless, exoneration and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and

further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

20. MODIFICATION AND WAIVER. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

21. NOTICES. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and received for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(b) If to the Company, to:

Global Eagle Entertainment Inc. 6100 Center Drive, Suite 1020
Los Angeles, California 90045
Attention: General Counsel

or to any other address as may have been furnished to Indemnitee in writing by the Company.

22. APPLICABLE LAW AND CONSENT TO JURISDICTION. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

23. IDENTICAL COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

24. MISCELLANEOUS. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

25. PERIOD OF LIMITATIONS. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

26. ADDITIONAL ACTS. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Indemnity Agreement to be signed as of the day and year first above written.

**GLOBAL EAGLE
ENTERTAINMENT INC.**

By: _____
Name: Stephen Ballas
Title: General Counsel

INDEMNITEE

By: _____
Name: [NAME]
Title: [TITLE]

OUTSIDE DIRECTOR COMPENSATION PROGRAM

(EFFECTIVE JUNE 25, 2018)

1. \$75,000 annual cash retainer, paid quarterly in arrears
2. \$100,000 annual equity grant, to be (a) comprised of any mix of securities (options, RSUs, PSUs, etc.) as determined by the Compensation Committee (in its discretion) for that director service period and (b) using a valuation model consistent with ASC Topic 718. Newly elected and continuing outside directors shall be issued annual equity grants on the date of the annual stockholders' meeting, which grants shall vest in full on the earlier of (i) the one-year anniversary of the grant date and (ii) the next annual stockholders' meeting. However, the Compensation Committee may in its discretion convert the grant into a lesser valued equity grant or adversely alter its terms (including vesting terms) based on, among other things, the Committee's then consideration of the competitiveness, dilution and burn rate of this Program as well as the then per-share price of the Company's stock, if the Committee so alters the grant in the same manner for all then affected directors. Directors joining the Board between annual stockholders' meetings will receive their grant upon their joining the Board and will vest on the earlier of (x) the one-year anniversary of grant and (y) the next annual stockholders' meeting. Commencing with the grant for 2018-2019 director service to be issued immediately following the 2018 annual stockholders' meeting and unless and until the Committee later alters it, the annual equity grant will be in the structure, and contain the terms, as set forth on Annex A hereto.
3. Chair of the Board receives an additional annual cash retainer of \$25,000. However, if the Chair of the Board is not an outside director, then no additional cash retainer is paid.
4. Lead Independent Director (if any) receives an additional annual cash retainer of \$15,000
5. Chair of the Audit Committee receives an additional annual cash retainer of \$25,000
6. Chair of the Compensation Committee receives an additional annual cash retainer of \$10,000

(All cash retainers and equity grants are prorated for any partial term of service.)

ANNEX A

ANNUAL EQUITY GRANT STRUCTURE AND TERMS

See attached.

This Annex A is in effect commencing with the grant for 2018-2019 director service to be issued immediately following the 2018 annual stockholders' meeting, and remains in effect unless and until the Committee later alters it.

**Global Eagle Entertainment Inc. (the “Company”)
Long-Term Equity Incentive Program Proposal**

Overview of Material Terms – Outside Directors

Award Types:	Non-Qualified Stock Options (“Options”) to purchase shares (“Shares”) of the Company’s common stock (traditional time-vesting option for directors)
Award Documentation:	Stock Option Grant Notice and Stock Option Award Agreement (substantially similar to existing director form)
Plan:	Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan (as amended, the “Plan”)
Participants:	Non-employee members of the Company’s Board of Directors (“Outside Directors”)
Grant Date:	Each annual meeting date commencing with the meeting on June 25, 2018 (the “Grant Date”).
Grant Amounts:	<p>Award values will be as set forth in the Outside Director Compensation Program, to which this term sheet is attached.</p> <p>For purposes of the 2018-2019 director term, each Outside Director will receive 16,835 Options.</p>
Option Exercise Price:	The exercise price per share for each Option will be equal to the closing price per Share on the Grant Date.
Option Term:	The Options will expire on the seventh anniversary of the Grant Date (“Term”).
Vesting Schedule:	<ul style="list-style-type: none"> The Options will vest in accordance with the Outside Director Compensation Program.
Termination Treatment:	<ul style="list-style-type: none"> Death/Disability: Unvested Options forfeited and vested Options remain exercisable until the earlier of (i) one year following termination and (ii) expiration of the Term. All Other Terminations, including Voluntary Resignations: Unvested Options forfeited and vested Options remain exercisable until the earlier of (i) 90 days following termination and (ii) expiration of the Term.
Change in Control Treatment:	Upon a Change in Control as defined in the Plan, Options may be (i) assumed by the acquiror, or (ii) if not so assumed, will vest in full. If the award is assumed and the award holder is terminated from the Board without cause or the award holder voluntarily resigns within 30 days following the Change in Control, then the award will fully vest.

\$4 PERFORMANCE GOAL OPTION FORM

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION GRANT NOTICE
(CASH SETTLED)

Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), hereby grants to the optionee (the “**Optionee**”) identified in this grant notice (this “**Grant Notice**”) a stock option (the “**Option**”) with respect to the number of Shares (the “**Underlying Shares**”) of common stock, par value \$0.0001 per share of the Company (“**Common Stock**”) at the price per Share identified in this Grant Notice (the “**Exercise Price**”). This Option is subject to all of the terms and conditions set forth herein and in the Non-Qualified Stock Option Award Agreement (Cash Settled), including any country-specific provisions included in the appendices attached thereto (the “**Agreement**”) and the Plan (collectively, the “**Award Documents**”), both of which are incorporated herein in their entirety.

Optionee: [REDACTED]

Grant Date: [REDACTED]

Vesting Commencement Date: [REDACTED]

Expiration Date: Fifth (5th) anniversary of the Grant Date

Underlying Shares Subject to Award: [REDACTED]

Exercise Price Per Underlying Share: [REDACTED]

Vesting Schedule: Subject to Sections I, II, III and IV, achievement of the Performance Goal (defined below) and continuous employment through each anniversary of the Vesting Commencement Date (each, a “**Vesting Date**”) (except as otherwise provided in this Grant Notice and the Plan), the Option will vest as follows: [(i) fifty percent (50%) of the Option will vest on the second (2nd) anniversary of the Vesting Commencement Date, (ii) twenty-five percent (25%) of the Option will vest on the third (3rd) anniversary of the Vesting Commencement Date and (iii) twenty-five percent (25%) of the Option will vest on the fourth (4th) anniversary of the Vesting Commencement Date.] ¹

¹ Subject to variation.

[Non-Qualified Stock Option Grant Notice (Cash Settled)]

I. Performance Goal. This Award shall vest with respect to its Performance Goal if at any time on or prior to the Expiration Date set forth above (the “**Performance Period**”), as of any date of determination, the per Share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “ENT <equity> AQR” (or its equivalent successor if such Bloomberg page is not available) for the period of forty-five (45) consecutive trading days ending on the most recently completed trading day prior to such determination date from the scheduled open of trading until the scheduled close of trading of the primary trading session on each trading day of such period (or if such volume-weighted average price is unavailable, the market value of one Share on such trading day reasonably determined, using a volume-weighted average method, by an independent financial expert appointed for such purpose) equals or exceeds \$4.00 (the “**Performance Goal**”).

II. Service-Based Vesting Conditions. Except as otherwise provided in this Grant Notice and the Agreement, any portion of this Award that is eligible to vest will be subject to continuous service through each applicable Vesting Date. Any portion of this Award that is not eligible to vest will terminate (for no consideration) as of the last day of the Performance Period. Notwithstanding the foregoing, this Grant Notice sets forth certain circumstances in which the Optionee may vest in the Award before the originally scheduled Vesting Dates.

III. Provisions for Termination of Employment.

(a) Death or Disability. If the Optionee’s employment with the Global Eagle Companies (as defined in the Agreement) terminates due to the Optionee’s death or Disability at any time on or after the date that the Performance Goal has been attained, then (i) any Options that have vested based on the time-based vesting conditions as of the date of such termination shall remain outstanding and exercisable until the earlier of (x) the first (1st) anniversary of the date of termination and (y) the Expiration Date; and (ii) any Options that have not vested based on the time-based vesting conditions as of the date of such termination shall be forfeited for no consideration as of the date of such termination. If the Optionee’s employment with the Global Eagle Companies terminates due to the Optionee’s death or Disability prior to the date that the Performance Goal has been attained, then (i) any Options that have vested based on the time-based vesting conditions as of the date of such termination shall remain outstanding and eligible to vest based on attainment of the Performance Goal at any time on or prior to the Expiration Date (and to the extent the Performance Goal is attained, such Options shall be exercisable until the Expiration Date); and (ii) any Options that have not vested based on the time-based vesting conditions as of the date of such termination shall be forfeited for no consideration as of the date of such termination. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(b) Termination of Employment by the Company Without Cause or for Good Reason. In the event of the termination of the Optionee’s employment by the Company without Cause or by the Optionee for Good Reason at any time on or after the date that the Performance Goal has been attained, subject to the Participant’s execution, delivery and non-revocation of a valid, executed general release in a customary form provided by the Company, (i) a pro rata portion of the Option shall vest and become exercisable as of the date of such termination based on a fraction, the numerator of which is the number of days the Optionee was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,460, which portion of the Option shall remain shall remain outstanding and exercisable until the earlier of (x) the date that is 90 days following the date of termination and (y) the Expiration Date; and (ii) any portion of the Option that is not vested as of the date of termination shall be forfeited for no consideration as of the date of such termination. In the event of the termination of the Optionee’s employment by the Company without Cause or by the Optionee for Good Reason prior to the date that the Performance Goal has been attained, (i) a pro rata portion of the Option shall remain outstanding and eligible to vest and become exercisable based on a fraction, the numerator of which is the number of days the Optionee was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,460, subject to the attainment of the Performance Goal at any time on or prior to the earlier of (x) the first (1st) anniversary of the date of such termination and (y) the Expiration Date; and (ii) any portion of the Option that is not vested based on the time-based vesting condition as of the date of termination shall be forfeited for no consideration as of the date of such termination. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on

such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(c) Termination of Employment Other than by the Company Without Cause, Other than by the Optionee for Good Reason or Other than due to Death or Disability. Subject to Section (III)(d), if the Optionee ceases to be employed by the Global Eagle Companies for any reason (including a voluntary resignation) other than termination by the Company without Cause or other than by the Optionee for Good Reason or other than due to the Optionee's death or Disability, all unvested Options will be automatically forfeited as of the date of termination and vested Options will remain outstanding and exercisable until the earlier of (i) the date that is 90 days following such termination and (ii) the Expiration Date. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(d) Discharge for Cause. For purposes of this Award, “**Cause**” means the occurrence of any one or more of the following events:

- i. A material violation of any Company policy, including but not limited to any policy contained in the Company’s Code of Ethics;
- ii. Embezzlement from, or theft of property belonging to, the Global Eagle Companies;
- iii. Willful failure to perform, or gross negligence in the performance of, assigned duties;
- iv. Material breach of fiduciary duty to the Global Eagle Companies (including, without limitation, acting in competition with, or taking other adverse action against, the Global Eagle Companies during the period of Optionee’s employment with the Global Eagle Companies, including soliciting employees of the Global Eagle Companies for alternative employment); or
- v. Other intentional misconduct, whether related to employment or otherwise, which has, or has the potential to have, a material adverse effect on the business conducted by the Global Eagle Companies, in each case, subject to the procedural requirements set forth in Section III(e).

If the Optionee, prior to the Expiration Date, ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies because he or she is discharged for Cause, the right to exercise this Option, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

(e) Procedure for Termination with Cause. Any termination of the employment of an Optionee shall not be deemed to be for Cause unless and until

- i. The Optionee has been provided written notice detailing the facts or circumstances constituting such Cause event at least 30 days before the proposed date of termination; provided, that the Company shall have the right to suspend the Optionee with pay during such period;
- ii. The Optionee has been provided with a reasonable opportunity, together with counsel for the Optionee (at the Optionee’s option and expense), to be heard by the Compensation Committee (in respect of any Section 16 Optionee) or a panel of senior executive officers of the Company (in respect of any Non-Section 16 Optionee) regarding any disputed facts prior to such proposed date of termination; and
- iii. To the extent capable of cure, the Optionee fails to cure such facts or circumstances within such 30-day period; provided, that the Compensation Committee or such panel of senior executive officers of the Company, as applicable, shall determine in good faith whether such Cause event exists following such hearing and, if applicable, whether and how such Cause event is capable of being cured. If it is determined that no such Cause event exists and the Company determines to terminate the Optionee’s employment with the Company, then such termination shall constitute a termination without Cause for purposes of this Agreement.

(f) Definition of Good Reason. For purposes of this Award, “**Good Reason**” means the occurrence

of any one or more of the following events without the prior written consent of the Optionee:

- i . A material adverse change in the Optionee's duties or responsibilities (such that the compensation paid to the Optionee would not continue to be deemed rational based on the Optionee's revised duties or responsibilities);
- ii. A reduction of more than 15% in the Optionee's base salary as in effect for the 12-month period immediately prior to such reduction, other than in connection with an across-the-board reduction of the base salaries of similarly situated employees or due to changes in the Optionee's duties and responsibilities with the Optionee's prior written consent;
- iii. A reduction of more than 15% in the Optionee's annual target bonus as in effect immediately prior to such reduction or the Optionee becoming ineligible to participate in bonus plans applicable to similarly situated employees, other than in connection with an across-the-board reduction of the annual target bonuses of similarly situated employees or due to changes in the Optionee's duties and responsibilities with the Optionee's prior written consent; or
- iv. A change in the Optionee's principal place of work to a location of more than 50 miles in each direction from the Optionee's principal place of work immediately prior to such change in location; provided, that such change increases the Optionee's commute from the Optionee's principal residence by more than 50 miles in each direction and more than 3 times per week on average;

provided, that (x) the Optionee provides a notice of termination to the Company within 90 days of the initial existence of the facts or circumstances constituting such event, (y) the Company fails to cure such facts or circumstances within 30 days after receipt of such notice and (z) the termination date of the Optionee occurs no later than 30 days after the expiration of the such cure period.

IV. Provisions Upon a Change of Control.

(a) Determination of Achievement of Performance Goal in the Event of a Change of Control. In the event of a Change of Control prior to the date that the Performance Goal is attained, the Option will fully vest if the price of a Share received in such Change of Control transaction equals or exceeds the Performance Goal. If the price of a Share received in such Change of Control transaction is less than the Performance Goal, then the Committee shall determine the treatment of the Option in such Change of Control transaction, which, for the avoidance of doubt, may include, but is not limited to, cancellation or acceleration of the Option. For the avoidance of doubt, in the event of a Change of Control after the date that the Performance Goal is attained, the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such Change of Control and the Option will fully vest even if the Fair Market Value of a Share on such Change of Control date is less than the Performance Goal.

(b) Termination Without Cause / for Good Reason in Connection with Change of Control. In the event of the termination of the Optionee's employment by the Company (or its successor) without Cause or by the Optionee for Good Reason within the period beginning 120 days prior to the date of a Change of Control and ending on the second anniversary of such Change of Control, then, subject to the Participant's execution, delivery and non-revocation of a valid, executed general release in a customary form provided by the Company, the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such termination and the Option will fully vest if the Performance Goal, to the extent that the Performance Goal remains applicable following such Change of Control transaction, is attained at any time prior to the date of such termination (or, if the Change of Control occurs after the date of such termination, based on the price of a Share received in such Change of Control transaction).

Additional Terms / Acknowledgements: The Optionee acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Optionee acknowledges that, if so determined by the Company in its discretion, the Optionee may be required to accept the Option by electronic means and that such electronic acceptance constitutes the Optionee's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Option, the Optionee consents to receive any documents related to participation in the Plan and the Option by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Optionee also acknowledges that this Grant Notice must be returned to the Company

(including through electronic means). The Optionee further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Optionee and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject with the exception of (i) Awards previously granted and delivered to the Optionee under the Plan, and (ii) the following agreements only, if any: [None.]

[*Non-Qualified Stock Option Grant Notice (Cash Settled)*]

ATTACHMENTS: I. Non-Qualified Stock Option Award Agreement (Cash Settled)
II. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice, the Non-Qualified Stock Option Award Agreement (Cash Settled) and the Plan.

Option Recipient

Date

[*Non-Qualified Stock Option (Cash Settled) Grant Notice*]

ATTACHMENT I: Non-Qualified Stock Option Award Agreement (Cash Settled)

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

1. **Grant of Option.** Global Eagle Entertainment Inc., a Delaware corporation (the “*Company*”), hereby grants to the optionee (the “*Optionee*”) identified in the grant notice (the “*Grant Notice*”) to which this Non-Qualified Stock Option Award Agreement (Cash Settled), including any country-specific provisions in the appendices attached hereto (this “*Agreement*”), is attached an option (this “*Option*”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), with respect to that number of Shares (the “*Underlying Shares*”) of common stock, par value \$0.0001 per share of the Company (“*Common Stock*”), specified in the Grant Notice, at the price per Share (the “*Exercise Price*”) specified in the Grant Notice. The Option is subject to the terms and conditions of the Grant Notice, this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Option by electronic means or request the Optionee’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Optionee accepts the Option and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Shares issued under the Plan, and the Optionee further acknowledges and agrees that this Option does not confer any legal or equitable right (other than those rights constituting the Option itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “*Global Eagle Companies*”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Optionee hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Underlying Shares, as applicable, and that the Optionee has been advised to consult a tax advisor prior to such exercise or disposition.

3. **Terms of Option.** This Option is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Code. Subject to the vesting terms and conditions in accordance with the Grant Notice and this Agreement, the Option constitutes an Option under Article VI of the Plan, which represents the right of the Optionee to receive a payment from the Company equal to the product of (i) the excess, if any, of the Fair Market Value of one Share on the exercise date less the Exercise Price, multiplied by (ii) a number of Shares represented by the portion of the Option being exercised. The Company intends to pay the amount due upon exercise of the Option in cash but may

pay such amount in Shares in lieu of cash or in a combination of cash and Shares, as determined by the Committee in its sole discretion.

4. Exercise of Option and Provisions for Termination.

(a) Vesting Schedule. Subject to the Optionee's continued employment by (or if a consultant, engagement with) Global Eagle Companies on each applicable vesting date, and except as otherwise provided in this Agreement, this Option shall vest as provided in the Grant Notice, until such time as this Option is fully vested. Except as otherwise provided in this Agreement, this Option may be exercised any time prior to the expiration date identified in the Grant Notice (the "**Expiration Date**"), subject to Sections III (a) through (f) of the Grant Notice, in installments as to not more than the number of Underlying Shares then-vested pursuant to this Section 4. The right of exercise shall be cumulative, so that if this Option is not exercised to the maximum extent permissible during any exercise period it shall be exercisable, in whole or in part, with respect to all Underlying Shares not so exercised at any time prior to the Expiration Date or the earlier termination of this Option. This Option may not be exercised at any time after the Expiration Date.

(b) Exercise Procedure. Subject to the conditions set forth in this Agreement, the Optionee may exercise this Option by delivery of notice to the Company or its designated Administrative Service (as defined below) in a form (which may be electronic) approved by the Company, accompanied by payment of the amount of Withholding Taxes and applicable fees. If, at the time of exercise, the Company does not permit the withholding of Underlying Shares to pay the amount of income and employment taxes, then the Optionee must pay to the Company an amount in cash sufficient to satisfy all of the Company's Withholding Tax obligations, or if the Optionee has so elected during an "open window period" under the Company's securities trading policy (as in effect from time to time), then the Optionee may elect that the Company sell the number of Underlying Shares sufficient to satisfy such tax withholding requirements. Such exercise shall be effective upon receipt by the Company or the Administrative Service of such notice together with the required payment. The Optionee may exercise less than the number of Underlying Shares for which this Option is vested at any point in time; provided, however, that no partial exercise of this Option may be for any fractional shares. For purposes of this Agreement, "**Administrative Service**" shall mean any third-party stock option administrator designated by the Company from time to time, provided that, the Company shall administer this Option until such time as an Administrative Service is engaged by the Company.

(c) Continuous Employment or Engagement Required. Except as otherwise provided in this Section 4, this Option may not be exercised unless the Optionee, at the time that he or she exercises this Option, is, and has been at all times since the Grant Date of this Option, an employee or consultant of the Global Eagle Companies. For all purposes of this Agreement: (i) "employment" shall be defined in accordance with the provisions of Section 1.421-7(h) of the regulations promulgated under the Code or any successor regulations and (ii) if this Option shall be assumed or a new option substituted therefor in a transaction to which Section 424(a) of the Code applies, employment by such assuming or substituting corporation shall be considered for all purposes of this Option to be employment by the Global Eagle Companies.

5. Non-transferability of Option. This Option is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to

transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Option or such rights, this Option and such rights shall, at the election of the Company, become null, void and of no further force or effect.

6. Forfeiture; Clawback.

(a) Notwithstanding anything contained in this Agreement to the contrary, if during the Optionee's employment or consultancy, the Optionee engages in any activity inimical, contrary or harmful to the interests of the Global Eagle Companies, including, but not limited to: (i) violating the Company's Code of Ethics or Whistleblower Policy and Procedures, as maintained from time to time, or (ii) disclosing or misusing any confidential information regarding the Global Eagle Companies, or (iii) disparaging or criticizing, orally or in writing, the business, products, policies, decisions, directors, officers or employees of the Global Eagle Companies to any person (all activities described in (i) – (iii) above collectively referred to as "wrongful conduct"), then (x) the Option, to the extent it remains unvested, shall be forfeited automatically as of the date on which the Optionee first engaged in such wrongful conduct, (y) the Company shall be entitled to recoup any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct, and (z) the Optionee shall pay to the Company in cash any financial gain he or she received with respect to the sale of any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct. For purposes of this Section 6, "financial gain" shall equal the difference between the Exercise Price of the Underlying Share that was sold and the Fair Market Value of a Share on the date of sale.

(b) Notwithstanding the foregoing, nothing in this Agreement prohibits the Optionee from voluntarily communicating, without notice to or approval by the Company, with any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistleblower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Optionee may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Optionee files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Optionee may disclose the trade secret to the Optionee's attorney and use the trade secret in the court proceeding, if the Optionee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(c) By accepting this Agreement, the Optionee consents to and authorizes the Company to deduct, from any amounts payable by the Company to the Optionee, any amounts the Optionee owes to the Company under this Section 6. This right of set-off is in addition to any other remedies the Company may have against the Optionee for breach of this Agreement.

(d) Notwithstanding any other provisions in this Agreement to the contrary, the Option and any amounts received upon the exercise of the Option shall be subject to such recovery or

deductions as may be required under any law, government regulation, stock exchange listing requirement or clawback or similar policy adopted by the Board (as such policy may be amended from time to time), Section 12.4 of the Plan or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement or Board policy.

7. **No Special Employment or Similar Rights**. Nothing contained in the Plan or this Agreement shall be construed or deemed by any Person under any circumstances to bind the Global Eagle Companies to continue the employment or consultancy of the Optionee or to limit the discretion of the Global Eagle Companies to terminate the Optionee's employment or consultancy at any time, with or without Cause. However, during the period of the Optionee's employment or consultancy with the Global Eagle Companies, the Optionee shall render diligently and faithfully the services which are assigned to the Optionee from time to time by the Board, any committee thereof, or by the executive officers of the Company and shall at no time take any action which, directly or indirectly, would be inconsistent with the best interests of the Company. The Optionee further acknowledges that this Option is for future services to the Global Eagle Companies and is not under any circumstances to be considered compensation for past services.

8. **Rights as a Shareholder**. The Optionee shall have no rights as a shareholder with respect to any Underlying Shares unless and until the date on which the Optionee becomes the holder of record of the Underlying Shares purchased pursuant to this Option on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to such date.

9. **Adjustments**.

(a) **General**. The Underlying Shares may be adjusted or terminated in any manner as contemplated by Section 4.5 of the Plan.

(b) **Limits on Adjustments**. No adjustment shall be made under Section 4.5 of the Plan which would, within the meaning of any applicable provision of the Code, constitute a modification, extension or renewal of this Option or a grant of additional benefits to the Optionee.

10. **Withholding Taxes**. The Company's obligation to deliver Underlying Shares upon the exercise of this Option shall be subject to the Optionee's satisfaction of all Withholding Tax requirements.

11. **Privacy Notice**. *The Optionee's employer (the "Employer"), the Company and any Subsidiary or Affiliate may collect, use, process, transfer or disclose the Optionee's personal data for the purpose of implementing, administering and managing the Optionee's participation in the Plan, in accordance with the Global Eagle Entertainment Employee and Job Candidate Privacy Notice the Optionee has previously received. (The Optionee should contact privacy@globaleagle.com if he or she would like to receive another copy of this notice.)*

12. **Requirements of Law and Securities Exchange**. The exercise of the Option and the issuance and transfer of Shares of Common Stock shall be subject to compliance by the Company and the Optionee with all applicable requirements of Federal, state or local securities laws and with all applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Option unless and until

any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Optionee understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

13. Country-Specific Provisions. If the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Option shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Optionee relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

14. Miscellaneous.

(a) Amendment. This Option is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted subject to the Option and the conditions of this Agreement. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall materially diminish the Optionee's rights under this Agreement without his or her consent. Notwithstanding anything in this Agreement or the Plan to the contrary, this Option may be amended by the Company without the Optionee's consent, including, but not limited to, modifications to any of the rights granted to the Optionee under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements relating to "executive compensation clawbacks"). Except as in accordance with the two immediately preceding sentences and Section 14(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) Discretionary Nature of Plan. By accepting this Option, the Optionee agrees that the granting of the Option is at the discretion of the Committee and that acceptance of the Option is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Optionee understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) Entire Agreement. This Agreement, the Grant Notice and the Plan together constitute the Optionee's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Optionee has signed any restrictive covenant agreements with the Company (including, but not limited to, any confidentiality, intellectual property rights assignment, non-competition, non-solicitation and non-disparagement agreements), such restrictive covenant agreements shall remain in full force and effect.

(d) Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) Compliance with Section 409A of the Code. This Agreement is intended to be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Optionee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Option granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Option in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) Section 280G. If it is determined that any amount or benefit to be paid or payable to the Optionee would give rise to a loss of deduction under Section 280G of the Code and the imposition of the excise tax under Section 4999 of the Code (the “**Excise Tax**”), then the amount or benefits payable to the Optionee (the total value of such amounts or benefits, the “**Payments**”) shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Optionee is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Optionee retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced, they shall be reduced in the following order of priority in a manner consistent with Section 409A of the Code: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(g) No Impact on Other Benefits. The value of the Option is not part of the Optionee’s normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) Notices. All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third-party administrator designated by the Company from time to time to administer the Option, or at such other address as may be designated in writing by either of the parties to the other party.

(i) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Optionee and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in Delaware, and the Optionee agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum.

to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(j) Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(k) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(l) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(m) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(n) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or his or her acquisition or sale of the Underlying Shares. The Optionee understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

- I. Nature of Grant. In accepting the grant of the Option, the Optionee acknowledges, understands and agrees that:
- a. the Plan is established voluntarily by the Company;
 - b. the grant of the Option is voluntary and occasional;
 - c. all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;
 - d. the Optionee is voluntarily participating in the Plan;
 - e. the Option and the Underlying Shares, and the income from and value of same, are not intended to replace any pension rights or compensation;
 - f. unless otherwise expressly agreed in a writing by the Optionee with the Company, the Option and the Underlying Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of an Affiliate or Subsidiary;
 - g. the future value of the Underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;
 - h. if the Underlying Shares do not increase in value, the Option will have no value
 - i. if the Optionee exercises the Option and obtains the Underlying Shares, the value of the Underlying Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;
 - j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Optionee's employment as provided for in the Plan or in the Agreement;

k. for purposes of the Option, and unless otherwise expressly provided in the Plan, the Agreement, any employment agreement or otherwise determined by the Company, the Optionee's employment will be considered terminated as of the date he or she is no longer actively providing services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any), and unless otherwise expressly provided in the Plan, the Agreement or determined by the Company, the Optionee's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Optionee is no longer actively providing services for purposes of the Option (including whether the Optionee may still be considered to be providing services while on a leave of absence);

l. unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by the Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

m. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of the Underlying Shares acquired upon exercise.

II. **Withholding Taxes.** The following provisions supplement Sections 4(b) and 10 of the Agreement:

The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("Tax-Related Items") is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Optionee further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any applicable taxable or Withholding Tax event, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the

withholding obligations with regard to all Tax-Related Items through any of the means set forth in Sections 4(b) or 10 of this Agreement or by (i) withholding from proceeds of the sale of the Underlying Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization) without further consent, (ii) requiring the Optionee to pay cash or (iii) withholding from the Optionee's salary or other cash compensation.

Depending on the withholding method, the Company may withhold for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Optionee's jurisdiction, in which case the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in one of the countries listed herein. If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Optionee transfers or relocates employment or residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Optionee should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Optionee exercises the Option or sells the Underlying Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Optionee should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Optionee's responsibility, and not the Company's.

If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers employment and/or residence to another country after the Grant Date, the information noted herein may not be applicable to the Optionee in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

AUSTRALIA

Deferred Taxation. Subdivision 83A-C of the Income Tax Assessment Act, 1997, applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Securities Law Notice. If the Optionee acquires Shares under the Plan and offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. *The Optionee should consult with his or her own legal advisor before making any such offer in Australia.*

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Option, the Optionee agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the exercise of the Option and/or the sale of any Shares obtained as a result of such exercise. The Optionee further agrees that, for all legal purposes, (a) the benefits provided to the Optionee under the Plan are the result of commercial transactions unrelated to the Optionee's employment; (b) the Plan is not a part of the terms and conditions of the Optionee's employment; (c) the income from the award, if any, is not part of the Optionee's remuneration from employment; (d) the Optionee is making an investment decision; (e) the Underlying Shares will be issued to the Optionee only if the vesting conditions are met and any necessary services are rendered by the Optionee over the vesting period; and (f) the value of the Underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Optionee.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Optionee is responsible for complying with any applicable Tax on Financial Transactions arising from the Optionee's participation in the Plan. The Optionee should consult with his or her personal tax advisor for additional details.

CANADA

Exercise Procedure. The following provision supplements Section 4(b) ("Exercise Procedure") and the "Withholding Taxes" sections of this Agreement:

Due to regulatory considerations in Canada, the Optionee is prohibited from surrendering Underlying Shares that he or she already owns to pay the Exercise Price in connection with this Option.

Additionally, notwithstanding any provision in the Agreement or the Plan to the contrary, the Optionee will not be permitted to exercise the Options by way of a net exercise whereby Shares are held back to cover the Exercise Price and/or Tax-Related Items withholding.

The Company reserves the right to permit these methods of payment depending upon the development of local law.

The following provisions apply if the Optionee is a resident of Québec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 11 of the Agreement:

The Optionee hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Optionee's employee file.

CHILE

Securities Law Notice. The offer of the Options constitutes a private offering of securities in Chile effective as of the Grant Date. This offer is made subject to general ruling N336 of the Chilean Commission of the Financial Market ("CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the securities are not registered in Chile, the Company is not required to provide public information about the securities in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

Información Bajo la Ley de Mercado de Valores. Esta oferta de la presente Opción constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión (Grant Date, según se define en Inglés en este documento). Esta oferta se acoge a las disposiciones de la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile ("CMF"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros de la CMF, y, por lo tanto, tales valores no están sujetos a la fiscalización de la CMF. Por tratarse de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de una oferta pública en Chile mientras que no sean inscritos en el registro de valores correspondiente en Chile.

FRANCE

Consent to Receive Information in English. By accepting the Options, the Optionee confirms having read and understood the Plan and the Agreement, including all terms and conditions included therein,

which were provided in the English language. The Optionee accepts the terms of these documents accordingly.

En acceptant cette Option, le Titulaire de l'Option confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Option accepte les dispositions de ces documents en connaissance de cause.

Tax Information. The Options are not intended to qualify for special tax or social security treatment in France.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at exercise are accepted as a personal investment. In the event that the Option vests, is exercised and the Underlying Shares are issued to the Optionee (or his or her heirs) within six months of the Grant Date, the Optionee (or his or her heirs) agree that the Underlying Shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

Securities Law Notice. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Optionee should exercise caution in relation to the offer. If the Optionee is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Option nor the issuance of the Underlying Shares upon exercise constitutes a public offering of securities under Hong Kong law and are available only to employees of the Company and the Global Eagle Companies. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each employee of the Global Eagle Companies and may not be distributed to any other person.

INDIA

Exercise Procedure. The following provision supplements Sections 4(b) (“Exercise Procedure”) and the “Withholding Taxes” sections of this Agreement:

Due to regulatory requirements, the Optionee understands that he or she may not pay the Exercise Price by a sell-to-cover exercise (*i.e.*, whereby some, but not all, of the Underlying Shares will be sold immediately upon exercise and the proceeds from the sale will be remitted to the Company to cover the Exercise Price for the purchased shares and any Tax-Related Items withholding). The Company reserves the right to permit this method of payment depending upon the development of local law.

MALAYSIA

Data Privacy. The following provision supplements Section 11 of the Agreement:

<p><i>The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.</i></p>	<p><i>Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.</i></p>
<p><i>The Optionee understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Options or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Employer and also by the Optionee through information collected in connection with the Agreement and the Plan.</i></p>	<p><i>Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah , alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor passport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Opsyen atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya (“Data”), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.</i></p>
<p><i>The Optionee understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Optionee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Optionee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee’s participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of the Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be affected; the only consequence of refusing or withdrawing the consent is that the Company may not be</i></p>	<p><i>Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com. Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Opsyen yang dilaksanakan didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi secara bertulis wakil Sumber Manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat memberikan Opsyen atau anugerah ekuiti lain kepada Peserta</i></p>

able to grant the Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact the local human resources representative.

atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjasakan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Optionee is a director of a Subsidiary or Affiliate of the Company in Malaysia, the Optionee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when the Optionee receives or disposes of an interest (e.g., Options or Underlying Shares) in the Company or any related company. Such notifications must be made within fourteen days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NEW ZEALAND

Securities Law Notice. *Warning: This is an offer of rights to receive Shares underlying the Options. Options give the Optionee a stake in the ownership of the Company. The Optionee may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Optionee will be paid only after all creditors and holders of preferred shares have been paid. The Optionee may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Optionee may not be given all the information usually required. The Optionee will also have fewer other legal protections for this investment.

The Optionee should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

*In addition, the Optionee is hereby notified that the documents listed below are available for review on the Company's "Investor Relations" website at <http://investors.geemedia.com/> and/or in the Optionee's online E*Trade (or other broker as the Company may determine from time to time) account, as applicable.*

- (i) this Agreement which together with the Plan sets forth the terms and conditions of participation in the Plan;
- (ii) a copy of the Company's most recent annual report (i.e., Form 10-K);
- (iii) a copy of the Company's most recent published financial statements;
- (iv) a copy of the Plan; and

(v) a copy of the Plan Prospectus.

A copy of the above documents will be sent to the Optionee free of charge on written request to the Head of People Services (zant.chapelo@globaleagle.com).

As noted above, the Optionee should carefully read the materials provided before making a decision whether to participate in the Plan. The Optionee is also encouraged to contact his or her tax advisor for specific information concerning the Optionee's personal tax situation with regard to Plan participation.

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Optionee agrees that any Shares issued to him or her upon exercise of the Option will not be offered for sale or sold in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

Securities Law Notice. The Option is being granted to the Optionee in reliance on the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not being made with the view to the Underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Optionee is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, the Optionee must notify the Singapore Subsidiary or Affiliate in writing of an interest (e.g., the Option or the Underlying Shares) in the Company or any Subsidiary or Affiliate within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Option, the Optionee agrees that, immediately upon exercise of the Option, the Optionee will notify the Employer of the amount of any gain realized. If the Optionee fails to advise the Employer of the gain realized upon exercise, the Optionee may be liable for a fine. The Optionee

will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

SPAIN

Labor Law Acknowledgment. The following provisions supplement the Nature of Grant section in Appendix A of the Agreement:

By accepting the Option, the Optionee acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Optionee further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to employees of the Global Eagle Companies throughout the world. The decision to grant the Option is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Optionee understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Optionee understands and freely accepts that there is no guarantee that any benefit shall arise from any gratuitous and discretionary grant since the future value of the Underlying Shares is unknown and unpredictable.

Additionally, the Optionee understands that the Option is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her employment terminates for any reason other than as expressly provided in Section III of the Grant Notice, the Optionee's Option will cease vesting immediately effective as of the date of termination of the Optionee's employment. This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Optionee terminates employment due to the Global Eagle Companies' unilateral breach of contract; or (5) the Optionee's employment terminates for any other reason whatsoever, in each case other than as expressly provided in Section III of the Grant Notice. Consequently, upon termination of the Optionee's employment for any of the above reasons, he or she will automatically lose any rights to Options granted to him or her that were unvested on the date of termination of his or her employment, as described in the Agreement.

Finally, the Optionee understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Option shall be null and void.

Securities Law Notice. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Option.

The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Option is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Option (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (e.g., the Swiss Financial Market Supervisory Authority).

UNITED ARAB EMIRATES

Securities Law Notice. The Options are being offered only to selected employees and the offer is in the nature of providing equity incentives to employees in the United Arab Emirates. The Plan and this Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Optionee does not understand the contents of the Plan or this Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan, and neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or this Agreement nor taken any steps to verify the information set out therein and have no responsibility for such documents.

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

Without limitation to the Withholding Taxes sections of this Agreement, the Optionee agrees to be liable for any Tax-Related Items related to the Optionee's participation in the Plan and legally applicable to the Optionee and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Optionee also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee's behalf.

Notwithstanding the foregoing, if the Optionee is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Optionee is an executive officer or director and the income tax

is not collected from or paid by the Optionee within ninety (90) days of the end of the U.K. tax year (April 6 - April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Optionee on which additional income tax and national insurance contributions ("NICs") may be payable. The Optionee acknowledges that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from the Optionee by any of the methods referenced in this Agreement.

**ATTACHMENT II: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term
Incentive Plan**

[To Be Provided To The Recipient Separately]

\$8 PERFORMANCE GOAL OPTION FORM

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION GRANT NOTICE
(CASH SETTLED)

Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), hereby grants to the optionee (the “**Optionee**”) identified in this grant notice (this “**Grant Notice**”) a stock option (the “**Option**”) with respect to the number of Shares (the “**Underlying Shares**”) of common stock, par value \$0.0001 per share of the Company (“**Common Stock**”) at the price per Share identified in this Grant Notice (the “**Exercise Price**”). This Option is subject to all of the terms and conditions set forth herein and in the Non-Qualified Stock Option Award Agreement (Cash Settled), including any country-specific provisions included in the appendices attached thereto (the “**Agreement**”) and the Plan (collectively, the “**Award Documents**”), both of which are incorporated herein in their entirety.

Optionee: [REDACTED]

Grant Date: [REDACTED]

Vesting Commencement Date: [REDACTED]

Expiration Date: Seventh (7th) anniversary of the Grant Date

Underlying Shares Subject to Award: [REDACTED]

Exercise Price Per Underlying Share: [REDACTED]

Vesting Schedule: Subject to Sections I, II, III and IV, achievement of the Performance Goal (defined below) and continuous employment through each anniversary of the Vesting Commencement Date (each, a “**Vesting Date**”) (except as otherwise provided in this Grant Notice and the Plan), the Option will vest as follows: [(i) fifty percent (50%) of the Option will vest on the second (2nd) anniversary of the Vesting Commencement Date and (ii) fifty percent (50%) of the Option will vest on the third (3rd) anniversary of the Vesting Commencement Date.]¹

¹ Subject to variation.

I. Performance Goal. This Award shall vest with respect to its Performance Goal if at any time on or prior to the Expiration Date set forth above (the “**Performance Period**”), as of any date of determination, the per Share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “ENT <equity> AQR” (or its equivalent successor if such Bloomberg page is not available) for the period of forty-five (45) consecutive trading days ending on the most recently completed trading day prior to such determination date from the scheduled open of trading until the scheduled close of trading of the primary trading session on each trading day of such period (or if such volume-weighted average price is unavailable, the market value of one Share on such trading day reasonably determined, using a volume-weighted average method, by an independent financial expert appointed for such purpose) equals or exceeds \$8.00 (the “**Performance Goal**”).

II. Service-Based Vesting Conditions. Except as otherwise provided in this Grant Notice and the Agreement, any portion of this Award that is eligible to vest will be subject to continuous service through each applicable Vesting Date. Any portion of this Award that is not eligible to vest will terminate (for no consideration) as of the last day of the Performance Period. Notwithstanding the foregoing, this Grant Notice sets forth certain circumstances in which the Optionee may vest in the Award before the originally scheduled Vesting Dates.

III. Provisions for Termination of Employment.

(a) Death or Disability. If the Optionee’s employment with the Global Eagle Companies (as defined in the Agreement) terminates due to the Optionee’s death or Disability at any time on or after the date that the Performance Goal has been attained, then (i) any Options that have vested based on the time-based vesting conditions as of the date of such termination shall remain outstanding and exercisable until the earlier of (x) the first (1st) anniversary of the date of termination and (y) the Expiration Date; and (ii) any Options that have not vested based on the time-based vesting conditions as of the date of such termination shall be forfeited for no consideration as of the date of such termination. If the Optionee’s employment with the Global Eagle Companies terminates due to the Optionee’s death or Disability prior to the date that the Performance Goal has been attained, then (i) any Options that have vested based on the time-based vesting conditions as of the date of such termination shall remain outstanding and eligible to vest based on attainment of the Performance Goal at any time on or prior to the Expiration Date (and to the extent the Performance Goal is attained, such Options shall be exercisable until the Expiration Date); and (ii) any Options that have not vested based on the time-based vesting conditions as of the date of such termination shall be forfeited for no consideration as of the date of such termination. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(b) Termination of Employment by the Company Without Cause or for Good Reason. In the event of the termination of the Optionee’s employment by the Company without Cause or by the Optionee for Good Reason at any time on or after the date that the Performance Goal has been attained, subject to the Optionee’s execution, delivery and non-revocation of a valid, executed general release in a customary form provided by the Company, (i) a pro rata portion of the Option shall vest and become exercisable as of the date of such termination based on a fraction, the numerator of which is the number of days the Optionee was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,095, which portion of the Option shall remain shall remain outstanding and exercisable until the earlier of (x) the date that is 90 days following the date of termination and (y) the Expiration Date; and (ii) any portion of the Option that is not vested as of the date of termination shall be forfeited for no consideration as of the date of such termination. In the event of the termination of the Optionee’s employment by the Company without Cause or by the Optionee for Good Reason prior to the date that the Performance Goal has been attained, (i) a pro rata portion of the Option shall remain outstanding and eligible to vest and become exercisable based on a fraction, the numerator of which is the number of days the Optionee was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,095, subject to the attainment of the Performance Goal at any time on or prior to the earlier of (x) the first (1st) anniversary of the date of such termination and (y) the Expiration Date; and (ii) any portion of the Option that is not vested based on the time-based vesting condition as of the date of termination shall be forfeited for no consideration as of the date of such termination. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on

such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(c) Termination of Employment Other than by the Company Without Cause, Other than by the Optionee for Good Reason or Other than due to Death or Disability. Subject to Section (III)(d), if the Optionee ceases to be employed by the Global Eagle Companies for any reason (including a voluntary resignation) other than termination by the Company without Cause or other than by the Optionee for Good Reason or other than due to the Optionee's death or Disability, all unvested Options will be automatically forfeited as of the date of termination and vested Options will remain outstanding and exercisable until the earlier of (i) the date that is 90 days following such termination and (ii) the Expiration Date. Any portion of the Option that is outstanding and unexercised as of the last day of the applicable post-termination exercise period or the Expiration Date, whichever occurs first, shall automatically be exercised on such last day if the Fair Market Value of a Share as of such date exceeds the Exercise Price.

(d) Discharge for Cause. For purposes of this Award, “**Cause**” means the occurrence of any one or more of the following events:

- i. A material violation of any Company policy, including but not limited to any policy contained in the Company’s Code of Ethics;
- ii. Embezzlement from, or theft of property belonging to, the Global Eagle Companies;
- iii. Willful failure to perform, or gross negligence in the performance of, assigned duties;
- iv. Material breach of fiduciary duty to the Global Eagle Companies (including, without limitation, acting in competition with, or taking other adverse action against, the Global Eagle Companies during the period of Optionee’s employment with the Global Eagle Companies, including soliciting employees of the Global Eagle Companies for alternative employment); or
- v. Other intentional misconduct, whether related to employment or otherwise, which has, or has the potential to have, a material adverse effect on the business conducted by the Global Eagle Companies, in each case, subject to the procedural requirements set forth in Section III(e).

If the Optionee, prior to the Expiration Date, ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies because he or she is discharged for Cause, the right to exercise this Option, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

(e) Procedure for Termination with Cause. Any termination of the employment of an Optionee shall not be deemed to be for Cause unless and until

- i. The Optionee has been provided written notice detailing the facts or circumstances constituting such Cause event at least 30 days before the proposed date of termination; provided, that the Company shall have the right to suspend the Optionee with pay during such period;
- ii. The Optionee has been provided with a reasonable opportunity, together with counsel for the Optionee (at the Optionee’s option and expense), to be heard by the Compensation Committee (in respect of any Section 16 Optionee) or a panel of senior executive officers of the Company (in respect of any Non-Section 16 Optionee) regarding any disputed facts prior to such proposed date of termination; and
- iii. To the extent capable of cure, the Optionee fails to cure such facts or circumstances within such 30-day period; provided, that the Compensation Committee or such panel of senior executive officers of the Company, as applicable, shall determine in good faith whether such Cause event exists following such hearing and, if applicable, whether and how such Cause event is capable of being cured. If it is determined that no such Cause event exists and the Company determines to terminate the Optionee’s employment with the Company, then such termination shall constitute a termination without Cause for purposes of this Agreement.

(f) Definition of Good Reason. For purposes of this Award, “**Good Reason**” means the occurrence

of any one or more of the following events without the prior written consent of the Optionee:

- i . A material adverse change in the Optionee's duties or responsibilities (such that the compensation paid to the Optionee would not continue to be deemed rational based on the Optionee's revised duties or responsibilities);
- ii. A reduction of more than 15% in the Optionee's base salary as in effect for the 12-month period immediately prior to such reduction, other than in connection with an across-the-board reduction of the base salaries of similarly situated employees or due to changes in the Optionee's duties and responsibilities with the Optionee's prior written consent;
- iii. A reduction of more than 15% in the Optionee's annual target bonus as in effect immediately prior to such reduction or the Optionee becoming ineligible to participate in bonus plans applicable to similarly situated employees, other than in connection with an across-the-board reduction of the annual target bonuses of similarly situated employees or due to changes in the Optionee's duties and responsibilities with the Optionee's prior written consent; or
- iv. A change in the Optionee's principal place of work to a location of more than 50 miles in each direction from the Optionee's principal place of work immediately prior to such change in location; provided, that such change increases the Optionee's commute from the Optionee's principal residence by more than 50 miles in each direction and more than 3 times per week on average;

provided, that (x) the Optionee provides a notice of termination to the Company within 90 days of the initial existence of the facts or circumstances constituting such event, (y) the Company fails to cure such facts or circumstances within 30 days after receipt of such notice and (z) the termination date of the Optionee occurs no later than 30 days after the expiration of the such cure period.

IV. Provisions Upon a Change of Control.

(a) Determination of Achievement of Performance Goal in the Event of a Change of Control. In the event of a Change of Control prior to the date that the Performance Goal is attained, the Option will fully vest if the price of a Share received in such Change of Control transaction equals or exceeds the Performance Goal. If the price of a Share received in such Change of Control transaction is less than the Performance Goal, then the Committee shall determine the treatment of the Option in such Change of Control transaction, which, for the avoidance of doubt, may include, but is not limited to, cancellation or acceleration of the Option. For the avoidance of doubt, in the event of a Change of Control after the date that the Performance Goal is attained, the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such Change of Control and the Option will fully vest even if the Fair Market Value of a Share on such Change of Control date is less than the Performance Goal.

(b) Termination Without Cause / for Good Reason in Connection with Change of Control. In the event of the termination of the Optionee's employment by the Company (or its successor) without Cause or by the Optionee for Good Reason within the period beginning 120 days prior to the date of a Change of Control and ending on the second anniversary of such Change of Control, then, subject to the Optionee's execution, delivery and non-revocation of a valid, executed general release in a customary form provided by the Company, the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such termination and the Option will fully vest if the Performance Goal, to the extent that the Performance Goal remains applicable following such Change of Control transaction, is attained at any time prior to the date of such termination (or, if the Change of Control occurs after the date of such termination, based on the price of a Share received in such Change of Control transaction).

Additional Terms / Acknowledgements: The Optionee acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Optionee acknowledges that, if so determined by the Company in its discretion, the Optionee may be required to accept the Option by electronic means and that such electronic acceptance constitutes the Optionee's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Option, the Optionee consents to receive any documents related to participation in the Plan and the Option by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Optionee also acknowledges that this Grant Notice must be returned to the Company

(including through electronic means). The Optionee further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Optionee and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject with the exception of (i) Awards previously granted and delivered to the Optionee under the Plan, and (ii) the following agreements only, if any: [None.]

[Non-Qualified Stock Option Grant Notice (Cash Settled)]

*ATTACHMENTS: I. Non-Qualified Stock Option Award Agreement (Cash Settled)
II. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan*

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice, the Non-Qualified Stock Option Award Agreement (Cash Settled) and the Plan.

Option Recipient

Date

[*Non-Qualified Stock Option (Cash Settled) Grant Notice*]

ATTACHMENT I: Non-Qualified Stock Option Award Agreement (Cash Settled)

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

1. **Grant of Option.** Global Eagle Entertainment Inc., a Delaware corporation (the “*Company*”), hereby grants to the optionee (the “*Optionee*”) identified in the grant notice (the “*Grant Notice*”) to which this Non-Qualified Stock Option Award Agreement (Cash Settled), including any country-specific provisions in the appendices attached hereto (this “*Agreement*”), is attached an option (this “*Option*”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), with respect to that number of Shares (the “*Underlying Shares*”) of common stock, par value \$0.0001 per share of the Company (“*Common Stock*”), specified in the Grant Notice, at the price per Share (the “*Exercise Price*”) specified in the Grant Notice. The Option is subject to the terms and conditions of the Grant Notice, this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Option by electronic means or request the Optionee’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Optionee accepts the Option and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Shares issued under the Plan, and the Optionee further acknowledges and agrees that this Option does not confer any legal or equitable right (other than those rights constituting the Option itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “*Global Eagle Companies*”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Optionee hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Underlying Shares, as applicable, and that the Optionee has been advised to consult a tax advisor prior to such exercise or disposition.

3. **Terms of Option.** This Option is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Code. Subject to the vesting terms and conditions in accordance with the Grant Notice and this Agreement, the Option constitutes an Option under Article VI of the Plan, which represents the right of the Optionee to receive a payment from the Company equal to the product of (i) the excess, if any, of the Fair Market Value of one Share on the exercise date less the Exercise Price, multiplied by (ii) a number of Shares represented by the portion of the Option being exercised. The Company intends to pay the amount due upon exercise of the Option in cash but may

pay such amount in Shares in lieu of cash or in a combination of cash and Shares, as determined by the Committee in its sole discretion.

4. Exercise of Option and Provisions for Termination.

(a) **Vesting Schedule.** Subject to the Optionee's continued employment by (or if a consultant, engagement with) Global Eagle Companies on each applicable vesting date, and except as otherwise provided in this Agreement, this Option shall vest as provided in the Grant Notice, until such time as this Option is fully vested. Except as otherwise provided in this Agreement, this Option may be exercised any time prior to the expiration date identified in the Grant Notice (the "**Expiration Date**"), subject to Sections III (a) through (f) of the Grant Notice, in installments as to not more than the number of Underlying Shares then-vested pursuant to this Section 4. The right of exercise shall be cumulative, so that if this Option is not exercised to the maximum extent permissible during any exercise period it shall be exercisable, in whole or in part, with respect to all Underlying Shares not so exercised at any time prior to the Expiration Date or the earlier termination of this Option. This Option may not be exercised at any time after the Expiration Date.

(b) **Exercise Procedure.** Subject to the conditions set forth in this Agreement, the Optionee may exercise this Option by delivery of notice to the Company or its designated Administrative Service (as defined below) in a form (which may be electronic) approved by the Company, accompanied by payment of the amount of Withholding Taxes and applicable fees. If, at the time of exercise, the Company does not permit the withholding of Underlying Shares to pay the amount of income and employment taxes, then the Optionee must pay to the Company an amount in cash sufficient to satisfy all of the Company's Withholding Tax obligations, or if the Optionee has so elected during an "open window period" under the Company's securities trading policy (as in effect from time to time), then the Optionee may elect that the Company sell the number of Underlying Shares sufficient to satisfy such tax withholding requirements. Such exercise shall be effective upon receipt by the Company or the Administrative Service of such notice together with the required payment. The Optionee may exercise less than the number of Underlying Shares for which this Option is vested at any point in time; provided, however, that no partial exercise of this Option may be for any fractional shares. For purposes of this Agreement, "**Administrative Service**" shall mean any third-party stock option administrator designated by the Company from time to time, provided that, the Company shall administer this Option until such time as an Administrative Service is engaged by the Company.

(c) **Continuous Employment or Engagement Required.** Except as otherwise provided in this Section 4, this Option may not be exercised unless the Optionee, at the time that he or she exercises this Option, is, and has been at all times since the Grant Date of this Option, an employee or consultant of the Global Eagle Companies. For all purposes of this Agreement: (i) "employment" shall be defined in accordance with the provisions of Section 1.421-7(h) of the regulations promulgated under the Code or any successor regulations and (ii) if this Option shall be assumed or a new option substituted therefor in a transaction to which Section 424(a) of the Code applies, employment by such assuming or substituting corporation shall be considered for all purposes of this Option to be employment by the Global Eagle Companies.

5. Non-transferability of Option. This Option is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to

transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Option or such rights, this Option and such rights shall, at the election of the Company, become null, void and of no further force or effect.

6. Forfeiture; Clawback.

(a) Notwithstanding anything contained in this Agreement to the contrary, if during the Optionee's employment or consultancy, the Optionee engages in any activity inimical, contrary or harmful to the interests of the Global Eagle Companies, including, but not limited to: (i) violating the Company's Code of Ethics or Whistleblower Policy and Procedures, as maintained from time to time, or (ii) disclosing or misusing any confidential information regarding the Global Eagle Companies, or (iii) disparaging or criticizing, orally or in writing, the business, products, policies, decisions, directors, officers or employees of the Global Eagle Companies to any person (all activities described in (i) – (iii) above collectively referred to as "wrongful conduct"), then (x) the Option, to the extent it remains unvested, shall be forfeited automatically as of the date on which the Optionee first engaged in such wrongful conduct, (y) the Company shall be entitled to recoup any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct, and (z) the Optionee shall pay to the Company in cash any financial gain he or she received with respect to the sale of any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct. For purposes of this Section 6, "financial gain" shall equal the difference between the Exercise Price of the Underlying Share that was sold and the Fair Market Value of a Share on the date of sale.

(b) Notwithstanding the foregoing, nothing in this Agreement prohibits the Optionee from voluntarily communicating, without notice to or approval by the Company, with any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistle blower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Optionee may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Optionee files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Optionee may disclose the trade secret to the Optionee's attorney and use the trade secret in the court proceeding, if the Optionee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(c) By accepting this Agreement, the Optionee consents to and authorizes the Company to deduct, from any amounts payable by the Company to the Optionee, any amounts the Optionee owes to the Company under this Section 6. This right of set-off is in addition to any other remedies the Company may have against the Optionee for breach of this Agreement.

(d) Notwithstanding any other provisions in this Agreement to the contrary, the Option and any amounts received upon the exercise of the Option shall be subject to such recovery or

deductions as may be required under any law, government regulation, stock exchange listing requirement or clawback or similar policy adopted by the Board (as such policy may be amended from time to time), Section 12.4 of the Plan or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement or Board policy.

7. **No Special Employment or Similar Rights**. Nothing contained in the Plan or this Agreement shall be construed or deemed by any Person under any circumstances to bind the Global Eagle Companies to continue the employment or consultancy of the Optionee or to limit the discretion of the Global Eagle Companies to terminate the Optionee's employment or consultancy at any time, with or without Cause. However, during the period of the Optionee's employment or consultancy with the Global Eagle Companies, the Optionee shall render diligently and faithfully the services which are assigned to the Optionee from time to time by the Board, any committee thereof, or by the executive officers of the Company and shall at no time take any action which, directly or indirectly, would be inconsistent with the best interests of the Company. The Optionee further acknowledges that this Option is for future services to the Global Eagle Companies and is not under any circumstances to be considered compensation for past services.

8. **Rights as a Shareholder**. The Optionee shall have no rights as a shareholder with respect to any Underlying Shares unless and until the date on which the Optionee becomes the holder of record of the Underlying Shares purchased pursuant to this Option on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to such date.

9. **Adjustments**.

(a) **General**. The Underlying Shares may be adjusted or terminated in any manner as contemplated by Section 4.5 of the Plan.

(b) **Limits on Adjustments**. No adjustment shall be made under Section 4.5 of the Plan which would, within the meaning of any applicable provision of the Code, constitute a modification, extension or renewal of this Option or a grant of additional benefits to the Optionee.

10. **Withholding Taxes**. The Company's obligation to deliver Underlying Shares upon the exercise of this Option shall be subject to the Optionee's satisfaction of all Withholding Tax requirements.

11. **Privacy Notice. The Optionee's employer (the "Employer"), the Company and any Subsidiary or Affiliate may collect, use, process, transfer or disclose the Optionee's personal data for the purpose of implementing, administering and managing the Optionee's participation in the Plan, in accordance with the Global Eagle Entertainment Employee and Job Candidate Privacy Notice the Optionee has previously received. (The Optionee should contact privacy@globaleagle.com if he or she would like to receive another copy of this notice.)**

12. **Requirements of Law and Securities Exchange**. The exercise of the Option and the issuance and transfer of Shares of Common Stock shall be subject to compliance by the Company and the Optionee with all applicable requirements of Federal, state or local securities laws and with all applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Option unless and until

any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Optionee understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

13. Country-Specific Provisions. If the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Option shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Optionee relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

14. Miscellaneous.

(a) Amendment. This Option is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted subject to the Option and the conditions of this Agreement. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall materially diminish the Optionee's rights under this Agreement without his or her consent. Notwithstanding anything in this Agreement or the Plan to the contrary, this Option may be amended by the Company without the Optionee's consent, including, but not limited to, modifications to any of the rights granted to the Optionee under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements relating to "executive compensation clawbacks"). Except as in accordance with the two immediately preceding sentences and Section 14(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) Discretionary Nature of Plan. By accepting this Option, the Optionee agrees that the granting of the Option is at the discretion of the Committee and that acceptance of the Option is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Optionee understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) Entire Agreement. This Agreement, the Grant Notice and the Plan together constitute the Optionee's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Optionee has signed any restrictive covenant agreements with the Company (including, but not limited to, any confidentiality, intellectual property rights assignment, non-competition, non-solicitation and non-disparagement agreements), such restrictive covenant agreements shall remain in full force and effect.

(d) **Severability.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) **Compliance with Section 409A of the Code .** This Agreement is intended to be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Optionee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Option granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Option in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) **Section 280G.** If it is determined that any amount or benefit to be paid or payable to the Optionee would give rise to a loss of deduction under Section 280G of the Code and the imposition of the excise tax under Section 4999 of the Code (the “**Excise Tax**”), then the amount or benefits payable to the Optionee (the total value of such amounts or benefits, the “**Payments**”) shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Optionee is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Optionee retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced, they shall be reduced in the following order of priority in a manner consistent with Section 409A of the Code: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(g) **No Impact on Other Benefits.** The value of the Option is not part of the Optionee’s normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) **Notices.** All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third-party administrator designated by the Company from time to time to administer the Option, or at such other address as may be designated in writing by either of the parties to the other party.

(i) **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Optionee and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in Delaware, and the Optionee agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum

to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(j) Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(k) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(l) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(m) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(n) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or his or her acquisition or sale of the Underlying Shares. The Optionee understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

- I. Nature of Grant. In accepting the grant of the Option, the Optionee acknowledges, understands and agrees that:
- a. the Plan is established voluntarily by the Company;
 - b. the grant of the Option is voluntary and occasional;
 - c. all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;
 - d. the Optionee is voluntarily participating in the Plan;
 - e. the Option and the Underlying Shares, and the income from and value of same, are not intended to replace any pension rights or compensation;
 - f. unless otherwise expressly agreed in a writing by the Optionee with the Company, the Option and the Underlying Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of an Affiliate or Subsidiary;
 - g. the future value of the Underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;
 - h. if the Underlying Shares do not increase in value, the Option will have no value
 - i. if the Optionee exercises the Option and obtains the Underlying Shares, the value of the Underlying Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;
 - j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Optionee's employment as provided for in the Plan or in the Agreement;

k. for purposes of the Option, and unless otherwise expressly provided in the Plan, the Agreement, any employment agreement or otherwise determined by the Company, the Optionee's employment will be considered terminated as of the date he or she is no longer actively providing services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any), and unless otherwise expressly provided in the Plan, the Agreement or determined by the Company, the Optionee's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Optionee is no longer actively providing services for purposes of the Option (including whether the Optionee may still be considered to be providing services while on a leave of absence);

l. unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by the Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

m. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of the Underlying Shares acquired upon exercise.

II. Withholding Taxes. The following provisions supplement Sections 4(b) and 10 of the Agreement:

The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("**Tax-Related Items**") is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Optionee further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any applicable taxable or Withholding Tax event, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the

withholding obligations with regard to all Tax-Related Items through any of the means set forth in Sections 4(b) or 10 of this Agreement or by (i) withholding from proceeds of the sale of the Underlying Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization) without further consent, (ii) requiring the Optionee to pay cash or (iii) withholding from the Optionee's salary or other cash compensation.

Depending on the withholding method, the Company may withhold for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Optionee's jurisdiction, in which case the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
(CASH SETTLED)

COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in one of the countries listed herein. If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Optionee transfers or relocates employment or residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Optionee should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Optionee exercises the Option or sells the Underlying Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Optionee should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Optionee's responsibility, and not the Company's.

If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers employment and/or residence to another country after the Grant Date, the information noted herein may not be applicable to the Optionee in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

AUSTRALIA

Deferred Taxation. Subdivision 83A-C of the Income Tax Assessment Act, 1997, applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Securities Law Notice. If the Optionee acquires Shares under the Plan and offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. *The Optionee should consult with his or her own legal advisor before making any such offer in Australia.*

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Option, the Optionee agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the exercise of the Option and/or the sale of any Shares obtained as a result of such exercise. The Optionee further agrees that, for all legal purposes, (a) the benefits provided to the Optionee under the Plan are the result of commercial transactions unrelated to the Optionee's employment; (b) the Plan is not a part of the terms and conditions of the Optionee's employment; (c) the income from the award, if any, is not part of the Optionee's remuneration from employment; (d) the Optionee is making an investment decision; (e) the Underlying Shares will be issued to the Optionee only if the vesting conditions are met and any necessary services are rendered by the Optionee over the vesting period; and (f) the value of the Underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Optionee.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Optionee is responsible for complying with any applicable Tax on Financial Transactions arising from the Optionee's participation in the Plan. The Optionee should consult with his or her personal tax advisor for additional details.

CANADA

Exercise Procedure. The following provision supplements Section 4(b) ("Exercise Procedure") and the "Withholding Taxes" sections of this Agreement:

Due to regulatory considerations in Canada, the Optionee is prohibited from surrendering Underlying Shares that he or she already owns to pay the Exercise Price in connection with this Option.

Additionally, notwithstanding any provision in the Agreement or the Plan to the contrary, the Optionee will not be permitted to exercise the Options by way of a net exercise whereby Shares are held back to cover the Exercise Price and/or Tax-Related Items withholding.

The Company reserves the right to permit these methods of payment depending upon the development of local law.

The following provisions apply if the Optionee is a resident of Québec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 11 of the Agreement:

The Optionee hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Optionee's employee file.

CHILE

Securities Law Notice. The offer of the Options constitutes a private offering of securities in Chile effective as of the Grant Date. This offer is made subject to general ruling N336 of the Chilean Commission of the Financial Market ("CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the securities are not registered in Chile, the Company is not required to provide public information about the securities in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

Información Bajo la Ley de Mercado de Valores Esta oferta de la presente Opción constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión (Grant Date, según se define en Inglés en este documento). Esta oferta se acoge a las disposiciones de la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile ("CMF"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros de la CMF, y, por lo tanto, tales valores no están sujetos a la fiscalización de la CMF. Por tratarse de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de una oferta pública en Chile mientras que no sean inscritos en el registro de valores correspondiente en Chile.

FRANCE

Consent to Receive Information in English. By accepting the Options, the Optionee confirms having read and understood the Plan and the Agreement, including all terms and conditions included therein, which were provided in the English language. The Optionee accepts the terms of these documents accordingly.

En acceptant cette Option, le Titulaire de l'Option confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Option accepte les dispositions de ces documents en connaissance de cause.

Tax Information. The Options are not intended to qualify for special tax or social security treatment in France.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at exercise are accepted as a personal investment. In the event that the Option vests, is exercised and the Underlying Shares are issued to the Optionee (or his or her heirs) within six months of the Grant Date, the Optionee (or his or her heirs) agree that the Underlying Shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

Securities Law Notice. *WARNING:* The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Optionee should exercise caution in relation to the offer. If the Optionee is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Option nor the issuance of the Underlying Shares upon exercise constitutes a public offering of securities under Hong Kong law and are available only to employees of the Company and the Global Eagle Companies. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each employee of the Global Eagle Companies and may not be distributed to any other person.

INDIA

Exercise Procedure. The following provision supplements Sections 4(b) (“Exercise Procedure”) and the “Withholding Taxes” sections of this Agreement:

Due to regulatory requirements, the Optionee understands that he or she may not pay the Exercise Price by a sell-to-cover exercise (*i.e.*, whereby some, but not all, of the Underlying Shares will be sold immediately upon exercise and the proceeds from the sale will be remitted to the Company to cover the Exercise Price for the purchased shares and any Tax-Related Items withholding). The Company reserves the right to permit this method of payment depending upon the development of local law.

MALAYSIA

Data Privacy. The following provision supplements Section 11 of the Agreement:

<p><i>The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.</i></p>	<p><i>Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.</i></p>
<p><i>The Optionee understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Options or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Employer and also by the Optionee through information collected in connection with the Agreement and the Plan.</i></p>	<p><i>Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah , alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor passport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Opsyen atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.</i></p>
<p><i>The Optionee understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Optionee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Optionee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of the Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be affected; the only consequence of refusing or</i></p>	<p><i>Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com. Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Opsyen yang dilaksanakan didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi secara bertulis wakil Sumber Manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat</i></p>

withdrawing the consent is that the Company may not be able to grant the Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact the local human resources representative.

memberikan Opsyen atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjelaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Optionee is a director of a Subsidiary or Affiliate of the Company in Malaysia, the Optionee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when the Optionee receives or disposes of an interest (e.g., Options or Underlying Shares) in the Company or any related company. Such notifications must be made within fourteen days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NEW ZEALAND

Securities Law Notice. *Warning: This is an offer of rights to receive Shares underlying the Options. Options give the Optionee a stake in the ownership of the Company. The Optionee may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Optionee will be paid only after all creditors and holders of preferred shares have been paid. The Optionee may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Optionee may not be given all the information usually required. The Optionee will also have fewer other legal protections for this investment.

The Optionee should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

*In addition, the Optionee is hereby notified that the documents listed below are available for review on the Company's "Investor Relations" website at <http://investors.geemedia.com/> and/or in the Optionee's online E*Trade (or other broker as the Company may determine from time to time) account, as applicable.*

- (i) this Agreement which together with the Plan sets forth the terms and conditions of participation in the Plan;
- (ii) a copy of the Company's most recent annual report (i.e., Form 10-K);
- (iii) a copy of the Company's most recent published financial statements;
- (iv) a copy of the Plan; and

(v) a copy of the Plan Prospectus.

A copy of the above documents will be sent to the Optionee free of charge on written request to the Head of People Services (zant.chapelo@globaleagle.com).

As noted above, the Optionee should carefully read the materials provided before making a decision whether to participate in the Plan. The Optionee is also encouraged to contact his or her tax advisor for specific information concerning the Optionee's personal tax situation with regard to Plan participation.

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Optionee agrees that any Shares issued to him or her upon exercise of the Option will not be offered for sale or sold in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

Securities Law Notice. The Option is being granted to the Optionee in reliance on the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not being made with the view to the Underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Optionee is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, the Optionee must notify the Singapore Subsidiary or Affiliate in writing of an interest (e.g., the Option or the Underlying Shares) in the Company or any Subsidiary or Affiliate within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Option, the Optionee agrees that, immediately upon exercise of the Option, the Optionee will notify the Employer of the amount of any gain realized. If the Optionee fails to advise the Employer of the gain realized upon exercise, the Optionee may be liable for a fine. The Optionee

will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

SPAIN

Labor Law Acknowledgment. The following provisions supplement the Nature of Grant section in Appendix A of the Agreement:

By accepting the Option, the Optionee acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Optionee further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to employees of the Global Eagle Companies throughout the world. The decision to grant the Option is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Optionee understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Optionee understands and freely accepts that there is no guarantee that any benefit shall arise from any gratuitous and discretionary grant since the future value of the Underlying Shares is unknown and unpredictable.

Additionally, the Optionee understands that the Option is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her employment terminates for any reason other than as expressly provided in Section III of the Grant Notice, the Optionee's Option will cease vesting immediately effective as of the date of termination of the Optionee's employment. This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Optionee terminates employment due to the Global Eagle Companies' unilateral breach of contract; or (5) the Optionee's employment terminates for any other reason whatsoever, in each case other than as expressly provided in Section III of the Grant Notice. Consequently, upon termination of the Optionee's employment for any of the above reasons, he or she will automatically lose any rights to Options granted to him or her that were unvested on the date of termination of his or her employment, as described in the Agreement.

Finally, the Optionee understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Option shall be null and void.

Securities Law Notice. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Option.

The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Option is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Option (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (e.g., the Swiss Financial Market Supervisory Authority).

UNITED ARAB EMIRATES

Securities Law Notice. The Options are being offered only to selected employees and the offer is in the nature of providing equity incentives to employees in the United Arab Emirates. The Plan and this Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Optionee does not understand the contents of the Plan or this Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan, and neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or this Agreement nor taken any steps to verify the information set out therein and have no responsibility for such documents.

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

Without limitation to the Withholding Taxes sections of this Agreement, the Optionee agrees to be liable for any Tax-Related Items related to the Optionee's participation in the Plan and legally applicable to the Optionee and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Optionee also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee's behalf.

Notwithstanding the foregoing, if the Optionee is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Optionee is an executive officer or director and the income tax

is not collected from or paid by the Optionee within ninety (90) days of the end of the U.K. tax year (April 6 - April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Optionee on which additional income tax and national insurance contributions (“*NICs*”) may be payable. The Optionee acknowledges that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from the Optionee by any of the methods referenced in this Agreement.

**ATTACHMENT II: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term
Incentive Plan**

[To Be Provided To The Recipient Separately]

REGULAR OPTION FORM

**GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION GRANT NOTICE**

Global Eagle Entertainment Inc., a Delaware corporation (the “*Company*”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), hereby grants to the optionee (the “*Optionee*”) identified in this grant notice (this “*Grant Notice*”) an option (the “*Option*”) to purchase that number of Shares (the “*Underlying Shares*”) of common stock, par value \$0.0001 per share of the Company (“*Common Stock*”) at the price per Share identified in this Grant Notice (the “*Exercise Price*”). This Option is subject to all of the terms and conditions set forth herein and in the Non-Qualified Stock Option Award Agreement, including any country-specific provisions included in the appendices attached thereto (the “*Agreement*”) and the Plan (collectively, the “*Award Documents*”), both of which are incorporated herein in their entirety.

Optionee: [REDACTED]

Grant Date: [REDACTED]

Vesting Commencement Date: [REDACTED] [Employment Commencement Date]¹

Expiration Date: Seventh (7th) anniversary of the Grant Date

Underlying Shares Subject to Award: [REDACTED]

Exercise Price Per Underlying Share: [REDACTED]

Vesting Schedule: Subject to Sections 4 and 5 of the Agreement, the Option will vest with respect to [25% of the Underlying Shares on the first (1st) anniversary of the Vesting Commencement Date, and 75% of the Underlying Shares will vest ratably over three (3) years on a monthly basis following the first (1st) anniversary of the Vesting Commencement Date.]²

Additional Terms / Acknowledgements: The Optionee acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Optionee acknowledges that, if so determined by the Company in its discretion, the Optionee may be required to accept the Option by electronic means and that such electronic acceptance constitutes the Optionee's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Option, the Optionee consents to receive any documents related to participation in the Plan and the Option by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Optionee also acknowledges that this Grant Notice must be returned to the Company (including through electronic means). The Optionee further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Optionee and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject with the exception of (i) Awards previously granted and delivered to the Optionee under the Plan, and (ii) the following agreements only, if any: [None.]

*ATTACHMENTS: I. Non-Qualified Stock Option Award Agreement
II. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan*

¹ Applicable to new hires

² Subject to variation

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice, the Non-Qualified Stock Option Award Agreement and the Plan.

Option Recipient

Date

[Signature page to Non-Qualified Stock Option Grant Notice]

ATTACHMENT I: Non-Qualified Stock Option Award Agreement

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

1. **Grant of Option.** Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), hereby grants to the optionee (the “**Optionee**”) identified in the grant notice (the “**Grant Notice**”) to which this Non-Qualified Stock Option Award Agreement, including any country-specific provisions in the appendices attached hereto (this “**Agreement**”) is attached an option (this “**Option**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), to purchase that number of Shares (the “**Underlying Shares**”) of common stock, par value \$0.0001 per share of the Company (“**Common Stock**”), specified in the Grant Notice, at the price per Share (the “**Exercise Price**”) specified in the Grant Notice. The Option is subject to the terms and conditions of the Grant Notice, this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Option by electronic means or request the Optionee’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Optionee accepts the Option and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Shares issued under the Plan, and the Optionee further acknowledges and agrees that this Option does not confer any legal or equitable right (other than those rights constituting the Option itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “**Global Eagle Companies**”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Optionee hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Underlying Shares and that the Optionee has been advised to consult a tax advisor prior to such exercise or disposition.

3. **Non-Qualified Stock Option.** This Option is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Code.

4. **Exercise of Option and Provisions for Termination.**

(a) **Vesting Schedule.** Subject to the Optionee’s continued employment by (or if a consultant, engagement with) Global Eagle Companies on each applicable vesting date, and except as otherwise provided in this Agreement, this Option shall vest as provided in the Grant Notice, until such time as this Option is fully vested. Except as otherwise provided in this Agreement, this Option may be exercised any time prior to the expiration date identified in the Grant Notice (the “**Expiration**”

Date"), subject to Sections 4(c) through (f), in installments as to not more than the number of Underlying Shares then-vested pursuant to this Section 4. The right of exercise shall be cumulative, so that if this Option is not exercised to the maximum extent permissible during any exercise period it shall be exercisable, in whole or in part, with respect to all Underlying Shares not so purchased at any time prior to the Expiration Date or the earlier termination of this Option. This Option may not be exercised at any time after the Expiration Date.

(b) **Exercise Procedure.** Subject to the conditions set forth in this Agreement, the Optionee may exercise this Option by delivery of notice to the Company or its designated Administrative Service (as defined below) in a form (which may be electronic) approved by the Company, accompanied by payment of consideration in an amount equal to the aggregate Exercise Price for the Underlying Shares to be purchased by such means as may be permitted by the Company or the Administrative Service, including (if then permitted by the Company), by electing that the Company or the Administrative Service withhold such number of Underlying Shares (x) having an aggregate Fair Market Value equal in amount to the aggregate Exercise Price for all Underlying Shares to be purchased plus (y) the amount of Withholding Taxes and applicable fees. If, at the time of exercise, the Company does not permit the withholding of Underlying Shares to pay the amount of income and employment taxes in clause (y), then the Optionee must pay to the Company an amount in cash sufficient to satisfy all of the Company's Withholding Tax obligations, or if the Optionee has so elected during an "open window period" under the Company's securities-trading policy (as in effect from time to time), then the Optionee may elect that the Company sell the number of Underlying Shares sufficient to satisfy such tax withholding requirements. Such exercise shall be effective upon receipt by the Company or the Administrative Service of such notice together with the required payment. The Optionee may purchase less than the number of Underlying Shares for which this Option is vested at any point in time; provided, however, that no partial exercise of this Option may be for any fractional shares. For purposes of this Agreement, "**Administrative Service**" shall mean any third-party stock option administrator designated by the Company from time to time, provided that, the Company shall administer this Option until such time as an Administrative Service is engaged by the Company.

(c) **Continuous Employment or Engagement Required.** Except as otherwise provided in this Section 4, this Option may not be exercised unless the Optionee, at the time that he or she exercises this Option, is, and has been at all times since the Grant Date of this Option, an employee or consultant of the Global Eagle Companies. For all purposes of this Agreement: (i) "employment" shall be defined in accordance with the provisions of Section 1.421-7(h) of the regulations promulgated under the Code or any successor regulations and (ii) if this Option shall be assumed or a new option substituted therefor in a transaction to which Section 424(a) of the Code applies, employment by such assuming or substituting corporation shall be considered for all purposes of this Option to be employment by the Global Eagle Companies.

(d) **Exercise Period Upon Termination of Employment or Consultancy.** Except as otherwise set forth in any employment, severance and release or similar agreement to which the Optionee is a party with the Company, if the Optionee ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies for any reason (including a voluntary resignation for any reason or no reason) other than death or Disability or a discharge for Cause, the right to exercise this Option shall terminate ninety (90) days after such cessation (but in no event after the Expiration Date); provided, however, that this Option shall be exercisable only to the extent that the Option was vested on the date of such cessation.

(e) Exercise Period Upon Death or Disability. If the Optionee dies or becomes Disabled prior to the Expiration Date while he or she is an employee of (or if a consultant, engaged by) the Global Eagle Companies, this Option shall be exercisable for one (1) year following the date of death or Disability of the Optionee (but in no event after the Expiration Date) by the Optionee or by the person to whom this Option is transferred by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined in the Code) or Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the rules thereunder; provided, however, that this Option shall be exercisable only to the extent that the Option was vested on the date of the Optionee's death or Disability. Except as otherwise indicated by the context, the term "Optionee," as used in this Agreement, shall be deemed to include the estate of the Optionee or any person who acquires the right to exercise this Option by bequest or inheritance or otherwise by reason of the death of the Optionee or pursuant to a qualified domestic relations order (as defined in the Code) or Title I of ERISA, or the rules promulgated thereunder.

(f) Discharge for Cause. If the Optionee, prior to the Expiration Date, ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies because he or she is discharged for Cause, the right to exercise this Option, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

5. Provisions Upon a Change of Control.

(a) Treatment if Option is Assumed, Substituted, Converted or Replaced. If, in connection with a Change of Control, the Option is assumed, substituted, converted or replaced by the surviving corporation (including the Company if the Company is the surviving corporation) or its parent with equity or equity-based awards in respect of a publicly-traded security having rights and entitlements substantially equivalent to or better than the rights and terms applicable to the outstanding Options, immediately prior to the Change of Control, including without limitation, the value of the Options and an identical or better vesting schedule and provided that the terms of the Alternative Awards state that in the event of the Optionee's termination without Cause within two (2) years following the consummation of such Change of Control, the Option shall become fully vested as of the termination date and the Optionee shall be entitled to cash, marketable stock or a combination of both having a value equal to the Fair Market Value of the Underlying Shares on the termination date, less the Exercise Price. Such cash or marketable stock shall be settled as promptly as practicable thereafter, but in no event later than forty-five (45) days following the employment termination date.

(b) Treatment if Option is Not Assumed, Substituted, Converted or Replaced. If, in connection with a Change of Control, the Option is not assumed, substituted, converted or replaced by the surviving corporation (including the Company if the Company is the surviving corporation) or its parent with equity or equity-based awards in respect of a publicly-traded security having an equivalent value and vesting schedule to those applicable to the Option immediately prior to the Change of Control, then the Option, whether or not then vested, shall become fully vested and exercisable as of immediately prior to the consummation of the Change of Control and the Optionee shall be entitled to cash, marketable stock or a combination of both having a value equal to the Fair Market Value of the Underlying Shares upon such Change of Control, less the Exercise Price. Such cash or marketable stock shall be settled as promptly as practicable thereafter, but in no event later than forty-five (45) days following the Change of Control.

6. Non-transferability of Option. Except as provided in Section 4(e), this Option is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Option or such rights, this Option and such rights shall, at the election of the Company, become null, void and of no further force or effect.

7. Forfeiture; Clawback.

(a) Notwithstanding anything contained in this Agreement to the contrary, if during the Optionee's employment or consultancy, the Optionee engages in any activity inimical, contrary or harmful to the interests of the Global Eagle Companies, including, but not limited to: (i) violating the Company's Code of Ethics or Whistleblower Policy and Procedures, as maintained from time to time, or (ii) disclosing or misusing any confidential information regarding the Global Eagle Companies, or (iii) disparaging or criticizing, orally or in writing, the business, products, policies, decisions, directors, officers or employees of the Global Eagle Companies to any person (all activities described in (i) – (iii) above collectively referred to as "wrongful conduct"), then (x) the Option, to the extent it remains unvested, shall be forfeited automatically as of the date on which the Optionee first engaged in such wrongful conduct, (y) the Company shall be entitled to recoup any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct, and (z) the Optionee shall pay to the Company in cash any financial gain he or she received with respect to the sale of any Underlying Shares acquired upon the exercise of the Option within the twelve (12) month period immediately preceding such wrongful conduct. For purposes of this Section 7, "financial gain" shall equal the difference between the Exercise Price of the Underlying Share that was sold and the Fair Market Value of a Share on the date of sale.

(b) Notwithstanding the foregoing, nothing in this Agreement prohibits the Optionee from voluntarily communicating, without notice to or approval by the Company, with any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistleblower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Optionee may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Optionee files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Optionee may disclose the trade secret to the Optionee's attorney and use the trade secret in the court proceeding, if the Optionee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(c) By accepting this Agreement, the Optionee consents to and authorizes the Company to deduct, from any amounts payable by the Company to the Optionee, any amounts the Optionee owes to the Company under this Section 7. This right of set-off is in addition to any other remedies the Company may have against the Optionee for breach of this Agreement.

(d) Notwithstanding any other provisions in this Agreement to the contrary, the Option and any amounts received upon the exercise of the Option shall be subject to such recovery or deductions as may be required under any law, government regulation, stock exchange listing requirement or clawback or similar policy adopted by the Board (as such policy may be amended from time to time), Section 12.4 of the Plan or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement or Board policy.

8. **No Special Employment or Similar Rights**. Nothing contained in the Plan or this Agreement shall be construed or deemed by any Person under any circumstances to bind the Global Eagle Companies to continue the employment or consultancy of the Optionee or to limit the discretion of the Global Eagle Companies to terminate the Optionee's employment or consultancy at any time, with or without Cause. However, during the period of the Optionee's employment or consultancy with the Global Eagle Companies, the Optionee shall render diligently and faithfully the services which are assigned to the Optionee from time to time by the Board, any committee thereof, or by the executive officers of the Company and shall at no time take any action which, directly or indirectly, would be inconsistent with the best interests of the Company. The Optionee further acknowledges that this Option is for future services to the Global Eagle Companies and is not under any circumstances to be considered compensation for past services.

9. **Rights as a Shareholder**. The Optionee shall have no rights as a shareholder with respect to any Underlying Shares unless and until the date on which the Optionee becomes the holder of record of the Underlying Shares purchased pursuant to this Option on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to such date.

10. **Adjustments**.

(a) **General**. The Underlying Shares may be adjusted or terminated in any manner as contemplated by Section 4.5 of the Plan.

(b) **Limits on Adjustments**. No adjustment shall be made under Section 4.5 of the Plan which would, within the meaning of any applicable provision of the Code, constitute a modification, extension or renewal of this Option or a grant of additional benefits to the Optionee.

11. **Withholding Taxes**. The Company's obligation to deliver Underlying Shares upon the exercise of this Option shall be subject to the Optionee's satisfaction of all Withholding Tax requirements.

12. **Privacy Notice. The Optionee's employer (the "Employer"), the Company and any Subsidiary or Affiliate may collect, use, process, transfer or disclose the Optionee's personal data for the purpose of implementing, administering and managing the Optionee's participation in the Plan, in accordance with the Global Eagle Entertainment Employee and Job Candidate Privacy Notice the Optionee has previously received. (The Optionee should contact privacy@globaleagle.com if he or she would like to receive another copy of this notice.)**

13. **Requirements of Law and Securities Exchange**. The exercise of the Option and the issuance and transfer of Shares of Common Stock shall be subject to compliance by the Company and the Optionee with all applicable requirements of Federal, state or local securities laws and with all

applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Option unless and until any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Optionee understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

14. Country-Specific Provisions. If the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Option shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Optionee relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

15. Miscellaneous.

(a) Amendment. This Option is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted subject to the Option and the conditions of this Agreement. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall materially diminish the Optionee's rights under this Agreement without his or her consent. Notwithstanding anything in this Agreement or the Plan to the contrary, this Option may be amended by the Company without the Optionee's consent, including, but not limited to, modifications to any of the rights granted to the Optionee under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements relating to "executive compensation clawbacks"). Except as in accordance with the two immediately preceding sentences and Section 15(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) Discretionary Nature of Plan. By accepting this Option, the Optionee agrees that the granting of the Option is at the discretion of the Committee and that acceptance of the Option is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Optionee understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) Entire Agreement. This Agreement, the Grant Notice and the Plan together constitute the Optionee's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Optionee has signed any restrictive covenant agreements with the Company (including, but not limited to, any confidentiality, intellectual property rights assignment, non-

competition, non-solicitation and non-disparagement agreements), such restrictive covenant agreements shall remain in full force and effect.

(d) Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) Compliance with Section 409A of the Code. This Agreement is intended to be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Optionee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Option granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Option in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) Section 280G. If it is determined that any amount or benefit to be paid or payable to the Optionee would give rise to a loss of deduction under Section 280G of the Code and the imposition of the excise tax under Section 4999 of the Code (the “Excise Tax”), then the amount or benefits payable to the Optionee (the total value of such amounts or benefits, the “Payments”) shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Optionee is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Optionee retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced, they shall be reduced in the following order of priority in a manner consistent with Section 409A of the Code: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(g) No Impact on Other Benefits. The value of the Option is not part of the Optionee’s normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) Notices. All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third party administrator designated by the Company from time to time to administer the Option, or at such other address as may be designated in writing by either of the parties to the other party.

(i) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Optionee and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or

federal court sitting in Delaware, and the Optionee agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(j) Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(k) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(l) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(m) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(n) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or his or her acquisition or sale of the Underlying Shares. The Optionee understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

- I. Nature of Grant. In accepting the grant of the Option, the Optionee acknowledges, understands and agrees that:
 - a. the Plan is established voluntarily by the Company;
 - b. the grant of the Option is voluntary and occasional;
 - c. all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;
 - d. the Optionee is voluntarily participating in the Plan;
 - e. the Option and the Underlying Shares, and the income from and value of same, are not intended to replace any pension rights or compensation;
 - f. unless otherwise expressly agreed in a writing by the Optionee with the Company, the Option and the Underlying Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of an Affiliate or Subsidiary;
 - g. the future value of the Underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;
 - h. if the Underlying Shares do not increase in value, the Option will have no value
 - i. if the Optionee exercises the Option and obtains the Underlying Shares, the value of the Underlying Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;
 - j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Optionee's employment as provided for in the Plan or in the Agreement;
 - k. for purposes of the Option, and unless otherwise expressly provided in the Plan, the Agreement, any employment agreement or otherwise determined by the Company, the Optionee's employment will be considered terminated as of the date he or she is no longer actively providing

services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any), and unless otherwise expressly provided in the Plan, the Agreement or determined by the Company, the Optionee's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Optionee is no longer actively providing services for purposes of the Option (including whether the Optionee may still be considered to be providing services while on a leave of absence);

l. unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by the Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

m. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of the Underlying Shares acquired upon exercise.

II. Withholding Taxes. The following provisions supplement Sections 4(b) and 11 of the Agreement:

The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("**Tax-Related Items**") is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Optionee further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any applicable taxable or Withholding Tax event, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the withholding obligations with regard to all Tax-Related Items through any of the means set forth in Sections 4(b) or 11 of this Agreement or by (i) withholding from proceeds of the sale of the Underlying Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization) without further consent, (ii)

requiring the Optionee to pay cash or (iii) withholding from the Optionee's salary or other cash compensation.

Depending on the withholding method, the Company may withhold for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Optionee's jurisdiction, in which case the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in one of the countries listed herein. If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Optionee transfers or relocates employment or residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Optionee should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Optionee exercises the Option or sells the Underlying Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Optionee should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Optionee's responsibility, and not the Company's.

If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers employment and/or residence to another country after the Grant Date, the information noted herein may not be applicable to the Optionee in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

AUSTRALIA

Deferred Taxation. Subdivision 83A-C of the Income Tax Assessment Act, 1997, applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Securities Law Notice. If the Optionee acquires Shares under the Plan and offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements

under Australian law. *The Optionee should consult with his or her own legal advisor before making any such offer in Australia.*

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Option, the Optionee agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the exercise of the Option and/or the sale of any Shares obtained as a result of such exercise. The Optionee further agrees that, for all legal purposes, (a) the benefits provided to the Optionee under the Plan are the result of commercial transactions unrelated to the Optionee's employment; (b) the Plan is not a part of the terms and conditions of the Optionee's employment; (c) the income from the award, if any, is not part of the Optionee's remuneration from employment; (d) the Optionee is making an investment decision; (e) the Underlying Shares will be issued to the Optionee only if the vesting conditions are met and any necessary services are rendered by the Optionee over the vesting period; and (f) the value of the Underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Optionee.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Optionee is responsible for complying with any applicable Tax on Financial Transactions arising from the Optionee's participation in the Plan. The Optionee should consult with his or her personal tax advisor for additional details.

CANADA

Exercise Procedure. The following provision supplements Section 4(b) ("Exercise Procedure") and the "Withholding Taxes" sections of this Agreement:

Due to regulatory considerations in Canada, the Optionee is prohibited from surrendering Underlying Shares that he or she already owns to pay the Exercise Price in connection with this Option.

Additionally, notwithstanding any provision in the Agreement or the Plan to the contrary, the Optionee will not be permitted to exercise the Options by way of a net exercise whereby Shares are held back to cover the Exercise Price and/or Tax-Related Items withholding.

The Company reserves the right to permit these methods of payment depending upon the development of local law.

Securities Law Notice. The Optionee is permitted to sell Shares acquired upon exercise of the Option through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

The following provisions apply if the Optionee is a resident of Québec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 12 of the Agreement:

The Optionee hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Optionee's employee file.

CHILE

Securities Law Notice. The offer of the Options constitutes a private offering of securities in Chile effective as of the Grant Date. This offer is made subject to general ruling N336 of the Chilean Commission of the Financial Market ("CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the securities are not registered in Chile, the Company is not required to provide public information about the securities in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

Información Bajo la Ley de Mercado de Valores. Esta oferta de la presente Opción constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión (Grant Date, según se define en Inglés en este documento). Esta oferta se acoge a las disposiciones de la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile ("CMF"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros de la CMF, y, por lo tanto, tales valores no están sujetos a la fiscalización de la CMF. Por tratarse de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de una oferta pública en Chile mientras que no sean inscritos en el registro de valores correspondiente en Chile.

FRANCE

Consent to Receive Information in English. By accepting the Options, the Optionee confirms having read and understood the Plan and the Agreement, including all terms and conditions included therein, which were provided in the English language. The Optionee accepts the terms of these documents accordingly.

En acceptant cette Option, le Titulaire de l'Option confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Option accepte les dispositions de ces documents en connaissance de cause.

Tax Information. The Options are not intended to qualify for special tax or social security treatment in France.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at exercise are accepted as a personal investment. In the event that the Option vests, is exercised and the Underlying Shares are issued to the Optionee (or his or her heirs) within six months of the Grant Date, the Optionee (or his or her heirs) agree that the Underlying Shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

Securities Law Notice. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Optionee should exercise caution in relation to the offer. If the Optionee is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Option nor the issuance of the Underlying Shares upon exercise constitutes a public offering of securities under Hong Kong law and are available only to employees of the Company and the Global Eagle Companies. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each employee of the Global Eagle Companies and may not be distributed to any other person.

INDIA

Exercise Procedure. The following provision supplements Sections 4(b) (“Exercise Procedure”) and the “Withholding Taxes” sections of this Agreement:

Due to regulatory requirements, the Optionee understands that he or she may not pay the Exercise Price by a sell-to-cover exercise (i.e., whereby some, but not all, of the Underlying Shares will be sold immediately upon exercise and the proceeds from the sale will be remitted to the Company to cover the Exercise Price for the purchased shares and any Tax-Related Items withholding). The

Company reserves the right to permit this method of payment depending upon the development of local law.

MALAYSIA

Data Privacy. The following provision supplements Section 12 of the Agreement:

<p><i>The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.</i></p>	<p><i>Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.</i></p>
<p><i>The Optionee understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Options or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Employer and also by the Optionee through information collected in connection with the Agreement and the Plan.</i></p>	<p><i>Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah , alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor passport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Opsyen atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya (“Data”), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.</i></p>
<p><i>The Optionee understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Optionee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Optionee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee’s participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of the Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be affected; the only consequence of refusing or withdrawing the consent is that the Company may not be</i></p>	<p><i>Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com. Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Opsyen yang dilaksanakan didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi secara bertulis wakil Sumber Manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat memberikan Opsyen atau anugerah ekuiti lain kepada Peserta</i></p>

able to grant the Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact the local human resources representative.

atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjasakan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Optionee is a director of a Subsidiary or Affiliate of the Company in Malaysia, the Optionee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when the Optionee receives or disposes of an interest (e.g., Options or Underlying Shares) in the Company or any related company. Such notifications must be made within fourteen days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NEW ZEALAND

Securities Law Notice. *Warning: This is an offer of rights to receive Shares underlying the Options. Options give the Optionee a stake in the ownership of the Company. The Optionee may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Optionee will be paid only after all creditors and holders of preferred shares have been paid. The Optionee may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Optionee may not be given all the information usually required. The Optionee will also have fewer other legal protections for this investment.

The Optionee should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

*In addition, the Optionee is hereby notified that the documents listed below are available for review on the Company's "Investor Relations" website at <http://investors.geemedia.com/> and/or in the Optionee's online E*Trade (or other broker as the Company may determine from time to time) account, as applicable.*

- (i) this Agreement which together with the Plan sets forth the terms and conditions of participation in the Plan;
- (ii) a copy of the Company's most recent annual report (i.e., Form 10-K);
- (iii) a copy of the Company's most recent published financial statements;
- (iv) a copy of the Plan; and

(v) a copy of the Plan Prospectus.

A copy of the above documents will be sent to the Optionee free of charge on written request to the Head of People Services (zant.chapelo@globaleagle.com).

As noted above, the Optionee should carefully read the materials provided before making a decision whether to participate in the Plan. The Optionee is also encouraged to contact his or her tax advisor for specific information concerning the Optionee's personal tax situation with regard to Plan participation.

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Optionee agrees that any Shares issued to him or her upon exercise of the Option will not be offered for sale or sold in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

Securities Law Notice. The Option is being granted to the Optionee in reliance on the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not being made with the view to the Underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Optionee is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, the Optionee must notify the Singapore Subsidiary or Affiliate in writing of an interest (e.g., the Option or the Underlying Shares) in the Company or any Subsidiary or Affiliate within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Option, the Optionee agrees that, immediately upon exercise of the Option, the Optionee will notify the Employer of the amount of any gain realized. If the Optionee fails to advise the Employer of the gain realized upon exercise, the Optionee may be liable for a fine. The Optionee will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

SPAIN

Labor Law Acknowledgment. The following provisions supplement the Nature of Grant section in Appendix A of the Agreement:

By accepting the Option, the Optionee acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Optionee further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to employees of the Global Eagle Companies throughout the world. The decision to grant the Option is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Optionee understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Optionee understands and freely accepts that there is no guarantee that any benefit shall arise from any gratuitous and discretionary grant since the future value of the Underlying Shares is unknown and unpredictable.

Additionally, the Optionee understands that the Option is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her employment terminates for any reason other than as expressly provided in Section 4 of the Agreement, the Optionee's Option will cease vesting immediately effective as of the date of termination of the Optionee's employment. This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Optionee terminates employment due to the Global Eagle Companies' unilateral breach of contract; or (5) the Optionee's employment terminates for any other reason whatsoever, in each case other than as expressly provided in Section 4 of the Agreement. Consequently, upon termination of the Optionee's employment for any of the above reasons, he or she will automatically lose any rights to Options granted to him or her that were unvested on the date of termination of his or her employment, as described in the Agreement.

Finally, the Optionee understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Option shall be null and void.

Securities Law Notice. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Option. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Option is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Option (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (*e.g.*, the Swiss Financial Market Supervisory Authority).

UNITED ARAB EMIRATES

Securities Law Notice. The Options are being offered only to selected employees and the offer is in the nature of providing equity incentives to employees in the United Arab Emirates. The Plan and this Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Optionee does not understand the contents of the Plan or this Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan, and neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or this Agreement nor taken any steps to verify the information set out therein and have no responsibility for such documents.

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

Without limitation to the Withholding Taxes sections of this Agreement, the Optionee agrees to be liable for any Tax-Related Items related to the Optionee's participation in the Plan and legally applicable to the Optionee and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Optionee also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee's behalf.

Notwithstanding the foregoing, if the Optionee is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Optionee is an executive officer or director and the income tax is not collected from or paid by the Optionee within ninety (90) days of the end of the U.K. tax year (April 6 - April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Optionee on which additional

income tax and national insurance contributions (“*NICs*”) may be payable. The Optionee acknowledges that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from the Optionee by any of the methods referenced in this Agreement.

**ATTACHMENT II: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term
Incentive Plan**

[To Be Provided To The Recipient Separately]

KEY BUSINESS LEADERS PSU FORM

**GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE**

Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), hereby grants to the participant (the “**Participant**”) identified in this grant notice (this “**Grant Notice**”) an award (the “**Award**”) consisting of a number of performance-based restricted stock units (“**PSUs**”) that may be earned pursuant to the Award, as identified in this Grant Notice. This Award is subject to achievement of the Performance Goal in this Grant Notice, as well as all of the other terms and conditions set forth herein and in the attached Performance-Based Restricted Stock Unit Award Agreement (the “**Agreement**”) and in the Plan (collectively, the “**Award Documents**”), all of which are incorporated herein in their entirety. Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the other Award Documents.

Participant: [REDACTED]

Grant Date: [REDACTED]

Vesting Commencement Date: [REDACTED]

Performance Period: Grant Date to fifth (5th) anniversary of Grant Date

PSUs [REDACTED] PSUs

Vesting Date: Subject to achievement of the Performance Goal and continuous employment through each Vesting Date (except as otherwise provided in this Grant Notice and the other Award Documents), the PSUs will vest as follows: [(i) fifty percent (50%) of the PSUs will vest on the second (2nd) anniversary of the Vesting Commencement Date, (ii) twenty-five percent (25%) of the PSUs will vest on the third (3rd) anniversary of the Vesting Commencement Date and (iii) twenty-five percent (25%) of the PSUs will vest on the fourth (4th) anniversary of the Vesting Commencement Date.]¹

¹ Subject to variation.

I. Performance Goal. This Award shall vest with respect to its Performance Goal if at any time on or prior to the last day of the Performance Period set forth above, as of any date of determination, the per Share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “ENT <equity> AQR” (or its equivalent successor if such Bloomberg page is not available) for the period of forty-five (45) consecutive trading days ending on the most recently completed trading day prior to such determination date from the scheduled open of trading until the scheduled close of trading of the primary trading session on each trading day of such period (or if such volume-weighted average price is unavailable, the market value of one Share on such trading day reasonably determined, using a volume-weighted average method, by an independent financial expert appointed for such purpose) equals or exceeds \$4.00 (the “**Performance Goal**”).

II. Service-Based Vesting Conditions. Except as otherwise provided in this Grant Notice and the Agreement, any portion of this Award that is eligible to vest will be subject to continuous service through each Vesting Date. Any portion of this Award that is not eligible to vest will terminate (for no consideration) as of the last day of the Performance Period. Notwithstanding the foregoing, set forth in this Grant Notice are certain circumstances in which the Participant may vest in the Award before the originally scheduled Vesting Dates.

III. Provisions for Termination of Employment.

(a) Death or Disability. If the Participant’s employment with the Global Eagle Companies (as defined in the Agreement) terminates due to the Participant’s death or Disability at any time on or after the date that the Performance Goal has been attained, then all PSUs subject to the Award will vest in full upon such termination due to death or Disability. If the Participant’s employment with the Global Eagle Companies terminates due to the Participant’s death or Disability prior to the date that the Performance Goal has been attained, then the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such death or Disability and the PSUs subject to the Award will be eligible to vest based on attainment of the Performance Goal at any time on or prior to the fifth (5th) anniversary of the Grant Date. The Shares underlying the PSUs that become deemed vested in accordance with this Section III(a) shall be distributed to the Participant no later than two and half (2½) months following the end of the calendar year in which such termination occurs (or, if later, no later than two and half (2½) months following the end of the calendar year in which the Performance Goal is attained).

(b) Termination of Employment by the Company Without Cause or for Good Reason. In the event of the termination of the Participant’s employment by the Company without Cause or by the Participant for Good Reason at any time on or after the date that the Performance Goal has been attained, subject to the Participant’s execution, delivery and non-revocation of the general release described below (the “**General Release**”) and the Participant’s satisfaction of the restrictive conditions described in Section IV below, the Participant will be eligible to earn a pro rata portion of this Award based on a fraction, the numerator of which is the number of days the Participant was

employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,460. In the event of the termination of the Participant's employment by the Company without Cause or by the Participant for Good Reason prior to the date that the Performance Goal has been attained, subject to the Participant's execution, delivery and non-revocation of the General Release and the Participant's satisfaction of the restrictive conditions described in Section IV below, the Participant will be eligible to earn a pro rata portion of this Award based on a fraction, the numerator of which is the number of days the Participant was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,460, subject to the attainment of the Performance Goal at any time on or prior to the first (1st) anniversary of the termination date. Shares in respect of the PSUs that vest in accordance with this Section III(b) shall be distributed to the Participant no later than two and half (2½) months following the end of the calendar year in which such termination occurs (or, if later, no later than two and half (2½) months following the end of the calendar year in which the Performance Goal is attained). Notwithstanding the foregoing, as a condition precedent to any obligation of the Company to deliver any Shares to the Participant in respect of any PSUs that vest in accordance with this Section III(b), the Participant shall be required to deliver to the Company a valid, executed General Release in a customary form provided by the Company, and shall not revoke such General Release prior to the expiration of any revocation rights afforded to the Participant under applicable law. If the time period to execute and/or revoke the General Release spans two (2) calendar years, then, notwithstanding anything contained herein to the contrary, Shares to be distributed to the Participant pursuant to this Section III(b) shall not be distributed until the latest of (x) the first (1st) business day in the second (2nd) calendar year, (y) the expiration of the revocation period set forth in the General Release or (z) the normal settlement date for such vested PSUs.

(c) Termination of Employment Other than by the Company Without Cause, Other than by the Participant for Good Reason or Other than due to Death or Disability. Subject to Section III(d), if the Participant ceases to be employed by the Global Eagle Companies for any reason (including a voluntary resignation) other than termination by the Company without Cause or other than by the Participant for Good Reason or other than the Participant's death or Disability, all unvested PSUs will be automatically forfeited as of the date of termination.

(d) Discharge for Cause. For purposes of this Award, "**Cause**" means the occurrence of any one or more of the following events:

- i. A material violation of any Company policy, including but not limited to any policy contained in the Company's Code of Ethics;
- ii. Embezzlement from, or theft of property belonging to, the Global Eagle Companies;

- iii.Willful failure to perform, or gross negligence in the performance of, assigned duties;
- iv.Material breach of fiduciary duty to the Global Eagle Companies (including, without limitation, acting in competition with, or taking other adverse action against, the Global Eagle Companies during the period of Participant's employment with the Global Eagle Companies, including soliciting employees of the Global Eagle Companies for alternative employment); or
- v.Other intentional misconduct, whether related to employment or otherwise, which has, or has the potential to have, a material adverse effect on the business conducted by the Global Eagle Companies, in each case, subject to the procedural requirements set forth in Section III(e).

If the Participant, prior to the fifth (5th) anniversary of the Grant Date, ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies because he or she is discharged for Cause, the right to receive these PSUs, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

(e) Procedure for Termination with Cause. Any termination of the employment of an Participant shall not be deemed to be for Cause unless and until

- i. The Participant has been provided written notice detailing the facts or circumstances constituting such Cause event at least 30 days before the proposed date of termination; provided, that the Company shall have the right to suspend the Participant with pay during such period;
- ii.The Participant has been provided with a reasonable opportunity, together with counsel for the Participant (at the Participant's option and expense), to be heard by the Compensation Committee (in respect of any Section 16 Participant) or a panel of senior executive officers of the Company (in respect of any Non-Section 16 Participant) regarding any disputed facts prior to such proposed date of termination; and
- iii.To the extent capable of cure, the Participant fails to cure such facts or circumstances within such 30-day period; provided, that the Compensation Committee or such panel of senior executive officers of the Company, as applicable, shall determine in good faith whether such Cause event exists following such hearing and, if applicable, whether and how such Cause event is capable of being cured. If it is determined that no such Cause event exists and the Company determines to terminate the Participant's employment with

the Company, then such termination shall constitute a termination without Cause for purposes of this Agreement.

(f) Definition of Good Reason. For purposes of this Award, “**Good Reason**” means the occurrence of any one or more of the following events without the prior written consent of the Participant:

- i. A material adverse change in the Participant’s duties or responsibilities (such that the compensation paid to the Participant would not continue to be deemed rational based on the Participant’s revised duties or responsibilities);
- ii. A reduction of more than 15% in the Participant’s base salary as in effect for the 12-month period immediately prior to such reduction, other than in connection with an across-the-board reduction of the base salaries of similarly situated employees or due to changes in the Participant’s duties and responsibilities with the Participant’s prior written consent;
- iii. A reduction of more than 15% in the Participant’s annual target bonus as in effect immediately prior to such reduction or the Participant becoming ineligible to participate in bonus plans applicable to similarly situated employees, other than in connection with an across-the-board reduction of the annual target bonuses of similarly situated employees or due to changes in the Participant’s duties and responsibilities with the Participant’s prior written consent; or
- iv. A change in the Participant’s principal place of work to a location of more than 50 miles in each direction from the Participant’s principal place of work immediately prior to such change in location; provided, that such change increases the Participant’s commute from the Participant’s principal residence by more than 50 miles in each direction and more than 3 times per week on average;

provided, that (x) the Participant provides a notice of termination to the Company within 90 days of the initial existence of the facts or circumstances constituting such event, (y) the Company fails to cure such facts or circumstances within 30 days after receipt of such notice and (z) the termination date of the Participant occurs no later than 30 days after the expiration of the such cure period.

IV. Restrictive Conditions. Notwithstanding anything to the contrary in this Grant Notice or the other Award Documents, to the extent permitted by applicable law, as a condition precedent to the receipt of any Shares or other payments under Section III(b) in connection with the Participant's termination of employment without Cause or for Good Reason, the Participant, in order to receive any Shares or other payments pursuant to Section III(b), must have complied with the restrictive conditions precedent to receipt thereof, as set forth on ***Exhibit A*** attached to this Grant Notice, through and including the last day of the Performance Period. Prior to the receipt of any such Shares or other payments pursuant to Section III(b), the Participant must certify (in writing) to the Company his or her compliance with such conditions. For the avoidance of doubt, the restrictive conditions set forth on ***Exhibit A*** shall apply in addition to (and shall not be limited by the provisions of) any other non-competition, non-pooling, non-solicitation, confidentiality, non-disparagement or similar covenants or conditions to which the Participant is a party with the Company or any Subsidiary or Affiliate thereof (collectively, the "***Global Eagle Companies***").

V. Provisions Upon a Change of Control.

(a) Determination of Achievement of Performance Goal in the Event of a Change of Control. In the event of a Change of Control prior to the date that the Performance Goal is attained, the Award will fully vest if the price of a Share received in such Change of Control transaction equals or exceeds the Performance Goal. If the price of a Share received in such Change of Control transaction is less than the Performance Goal, then the Committee shall determine the treatment of the PSUs in such Change of Control transaction, which, for the avoidance of doubt, may include, but is not limited to, cancellation or acceleration of the PSUs subject to the Award. For the avoidance of doubt, in the event of a Change of Control after the date that the Performance Goal is attained, the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such Change of Control and the Award will fully vest even if the Fair Market Value of a Share on such Change of Control date is less than the Performance Goal.

(b) Termination Without Cause / for Good Reason in Connection with Change of Control. In the event of the termination of the Participant's employment by the Company (or its successor) without Cause or by the Participant for Good Reason within the period beginning 120 days prior to the date of the Change of Control and ending on the second anniversary of such Change of Control, then the time-based vesting conditions applicable to the Award shall be deemed satisfied as of the date of such termination and the Award will fully vest if the Performance Goal, to the extent that the Performance Goal remains applicable following such Change of Control transaction, is attained at any time prior to the date of such termination (or, if the Change of Control occurs after the date of such termination, based on the price of a Share received in such Change of Control transaction). Such PSUs shall be settled as soon as practicable and in no event later than the thirtieth (30th) day following the Participant's termination without Cause or for Good Reason, as applicable (or, if the Change of Control occurs after the date of such termination, in no event later than the thirtieth (30th) day following such Change of Control).

VI. Additional Terms / Acknowledgements. The Participant acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Participant acknowledges that, if so determined by the Company in its discretion, the Participant may be required to accept the Award by electronic means and that

such electronic acceptance constitutes the Participant's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Award, the Participant consents to receive any documents related to participation in the Plan and the Award by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Participant also acknowledges that this Grant Notice must be returned to the Company (including through electronic means). The Participant further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Participant and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject with the exception of (i) Award previously granted and delivered to the Participant under the Plan, and (ii) the following agreements only, if any: [None]

ATTACHMENTS: I. *Exhibit A* attached hereto (Restrictive Conditions)

II. Performance-Based Restricted Stock Unit Award Agreement

III. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice (including *Exhibit A* attached hereto), the Agreement and the Plan

Award Recipient

Date

ATTACHMENT I: Exhibit A to Performance-Based Restricted Stock Unit Grant Notice (Restrictive Conditions)

EXHIBIT A TO
PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE
RESTRICTIVE CONDITIONS

To the extent permitted by applicable law, as a condition precedent to the receipt of any Shares or other payments pursuant to the Award, the Participant, in order to receive any such Shares or other payments, must have complied with the following restrictive conditions precedent to receipt thereof, and must certify (in writing) to the Company his or her compliance with such restrictive conditions during the Performance Period, as set forth below.

1. **Confidentiality.** The protection of Confidential Information is essential for the Global Eagle Companies and employees' future security. To protect such Confidential Information, the Participant must not have disclosed any Confidential Information of the Global Eagle Companies.
2. **Restrictions.** In order to preserve the Confidential Information, and to protect the Global Eagle Companies' proprietary interest in its trade secrets, and to protect the goodwill of the Global Eagle Companies, and in consideration of the Shares or other payments pursuant to the Award, the Participant acknowledges that, for the entire Performance Period, the Participant must not have, directly or indirectly: (i) solicited, induced or attempted to induce, on his or her own behalf or on behalf of any other person or organization, any of the Global Eagle Companies' clients who the Participant solicited or with whom the Participant substantially and directly dealt or became acquainted during his or her employment with the Global Eagle Companies for the purpose of either (a) inducing said client to terminate, diminish, or materially alter in a manner harmful to the Global Eagle Companies its relationship with the Global Eagle Companies, or (b) providing, or offering to provide, Conflicting Services to said client; or (ii) solicited for employment, hired or attempted to hire, on the Participant's own behalf or on behalf of any other person or organization, any of the Global Eagle Companies' consultants, personnel or employees (or anyone who was a client, consultant, member of the Global Eagle Companies' personnel or employee at any time within the twelve (12) month period immediately preceding the last day of the Performance Period). In addition, during the Performance Period, the Participant must not have disparaged, criticized or ridiculed, or otherwise engaged in any conduct that is injurious to the reputation or interest of the Global Eagle Companies. Notwithstanding the foregoing, nothing in this Agreement prohibits the Participant from voluntarily communicating, without notice to or approval by the Company, with any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistle blower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Participant may disclose trade secrets in a

complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Participant files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret in the court proceeding, if the Participant files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

3. **Definitions**. Defined terms used in this Exhibit A and not otherwise defined in the Award Documents shall have the meaning set forth below:

- a. ***Confidential Information*** means any information, data and know-how relating to the business of any member of the Global Eagle Companies or its clients and referral sources that is developed by or disclosed to the Participant or known by the Participant as a result of his or her relationship with the Global Eagle Companies (whether constituting a trade secret or not, and whether or not labeled in writing as "confidential"), including, without limitation, the following information: financial information, supply and service information, marketing information, personnel information, the identity of and information concerning potential or actual clients, and specialized techniques developed or used by the Global Eagle Companies. The term "Confidential Information" does not include information that (i) has become a part of the public domain other than as a result of its wrongful disclosure, or (ii) is or hereafter becomes lawfully obtainable from other sources without an obligation of confidentiality. Any combination of information shall not be deemed within the foregoing exception merely because individual features are in the public domain if the combination itself is not in the public domain.
- b. ***Conflicting Services*** means services of any entity (other than the entities comprising the Global Eagle Companies) that are the same or substantially similar to those services of the Global Eagle Companies in the Territory (x) provided by the Participant (directly or indirectly through others) during the twelve (12) months preceding the last day of the Performance Period, or (y) about which the Participant acquired Confidential Information or trade secrets during his or her employment by the Global Eagle Companies.
- c. ***Territory*** means any national, state, provincial, territorial or other jurisdiction globally in which the Participant performed services for the Global Eagle Companies at any time during the twelve (12) months prior to the last day of the Performance Period, including but not limited to any such jurisdiction in which the Participant, directly or indirectly through others, provided the Global Eagle Companies' services to clients or marketed or offered to provide the Global Eagle Companies' services.

4. **Enforceability**. If any restrictive condition contained herein is unenforceable with respect to the duration and Territory of the restrictive condition, then the duration and geographic area of restriction shall be reduced to the maximum duration and geographic area of restriction deemed legal, valid and enforceable and that come closest to expressing the

intention of the parties with respect to the restrictive condition, and the restrictive condition shall be enforceable as so modified. The Participant agrees that a court with proper jurisdiction shall be allowed to reduce the restrictive conditions contained herein to the maximum duration and geographic area of restriction deemed legal, valid and enforceable.

ATTACHMENT II: Performance-Based Restricted Stock Unit Award Agreement

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

1. **Grant of PSUs.** Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), hereby grants to the participant (the “**Participant**”) identified in the grant notice (the “**Grant Notice**”) to which this Performance-Based Restricted Stock Unit Award Agreement, including any country-specific provisions in the appendices attached hereto (this “**Agreement**”) is attached a performance-based restricted stock unit (“**PSU**”) award (this “**Award**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), consisting of up to that number of PSUs specified in the Grant Notice. The Award is subject to the terms and conditions of the Grant Notice (including **Exhibit A** thereto), this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Award by electronic means or request the Participant’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Participant accepts the Award and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Awards issued under the Plan, and the Participant further acknowledges and agrees that this Award does not confer any legal or equitable right (other than those rights constituting the Award itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “**Global Eagle Companies**”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Participant hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Participant acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Award or disposition of the underlying Shares and that the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

3. **Dividend Equivalents.** Subject to the restrictions, limitations and conditions described in the Plan, Dividend Equivalents payable on the PSUs will be accrued on the Participant’s behalf at the time that cash dividends are otherwise paid to owners of Common Stock. Accrued Dividend Equivalent balances will be subject to the same restrictions and vesting schedule applicable to the PSUs and will be paid to the Participant with the distribution of the Shares on each applicable Vesting Date (or the next business day thereafter, if the applicable Vesting Date falls on a weekend or holiday).

4. **Distribution of Shares Upon Vesting; Withholding Taxes**. Upon each applicable Vesting Date (or the next business day thereafter, if the applicable Vesting Date falls on a weekend or holiday), the Company will deliver a number of Shares to the Participant equal to the percentage of the Award that vested in accordance with the Grant Notice. The Participant is personally responsible for the payment of all Withholding Taxes related to the distribution of Shares. The Global Eagle Companies shall have the right (but not the obligation) to deduct from the Award an amount equal to any Withholding Tax or other taxes of any kind required by law to be withheld in connection with the settlement of the PSUs or other securities pursuant to this Agreement. If the distribution of PSUs is subject to tax withholding, the Participant hereby authorizes the Global Eagle Companies to satisfy its withholding obligations, if any, by withholding from payroll and any other amounts payable to the Participant and/or a number of Shares with a market value not less than the amount of such taxes. If, at the time of settlement, the Company does not permit the withholding of Shares to pay the amount of income and employment taxes due in respect of the vested portion of the Award, then the Participant must pay to the Company an amount in cash sufficient to satisfy all of the Company's Withholding Tax obligations, or if the Participant has so elected during an "open window period" under the Company's securities-trading policy (as in effect from time to time), then the Participant may elect that the Company sell the number of Shares sufficient to satisfy such tax withholding requirements. Any cash from Dividend Equivalents remaining after withholding taxes are paid will be paid in cash to the Participant. If withholding of taxes is not required, none will be taken and the gross number of Shares will be distributed.

5. **Non-transferability of PSUs**. Prior to each applicable Vesting Date, this Award is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Award or such rights, this Award and such rights shall, at the election of the Company, become null, void and of no further force or effect.

6. **Forfeiture; Clawback**.

(a) Notwithstanding anything contained in this Agreement to the contrary, if during the Participant's employment or consultancy, the Participant engages in any activity inimical, contrary or harmful to the interests of the Global Eagle Companies, including, but not limited to: (i) violating the Company's Code of Ethics or Whistleblower Policy and Procedures, as maintained from time to time, or (ii) disclosing or misusing any confidential information regarding the Global Eagle Companies, or (iii) disparaging or criticizing, orally or in writing, the business, products, policies, decisions, directors, officers or employees of the Global Eagle Companies to any person (all activities described in (i) – (iii) above collectively referred to as "wrongful conduct"), then the PSUs, to the extent they then remain subject to restriction, shall be forfeited automatically as of the date on which the Participant first engaged in such wrongful conduct.

(b) Notwithstanding the foregoing, nothing in this Agreement prohibits the Participant from voluntarily communicating, without notice to or approval by the Company, with any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any

member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistleblower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Participant may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Participant files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret in the court proceeding, if the Participant files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(c) By accepting this Agreement, the Participant consents to and authorizes the Company to require the forfeiture described under this Section 6. This right to require forfeiture of the Award is in addition to any other remedies the Company may have against the Participant for breach of this Agreement.

(d) Notwithstanding any other provisions in this Agreement to the contrary, the Award and any amounts received upon the settlement of the Award shall be subject to such recovery or deductions as may be required under any law, government regulation, stock exchange listing requirement or clawback or similar policy adopted by the Board (as such policy may be amended from time to time), Section 12.4 of the Plan or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement or Board policy.

7. No Special Employment or Similar Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any Person under any circumstances to bind the Global Eagle Companies to continue the employment or consultancy of the Participant or to limit the discretion of the Global Eagle Companies to terminate the Participant's employment or consultancy at any time, with or without Cause. However, during the period of the Participant's employment or consultancy with the Global Eagle Companies, the Participant shall render diligently and faithfully the services which are assigned to the Participant from time to time by the Board, any committee thereof, or by the executive officers of the Company and shall at no time take any action which, directly or indirectly, would be inconsistent with the best interests of the Company. The Participant further acknowledges that this Award is for future services to the Global Eagle Companies and is not under any circumstances to be considered compensation for past services.

8. Rights as a Shareholder. Except as provided in Section 3 above (regarding Dividend Equivalents), by accepting this Award, the Participant shall have no rights as a shareholder of the Company in respect of the PSUs, including any voting rights, unless and until the date on which the PSUs have vested and the Participant becomes the holder of record of the Shares issuable upon the vesting of the PSUs on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock.

9. Adjustments. The number of PSUs subject to this Award may be adjusted in any manner as contemplated by Section 4.5 of the Plan.

10. **Privacy Notice.** *The Participant's employer (the "Employer"), the Company and any Subsidiary or Affiliate may collect, use, process, transfer or disclose the Participant's personal data for the purpose of implementing, administering and managing the Participant's participation in the Plan, in accordance with the Global Eagle Entertainment Employee and Job Candidate Privacy Notice the Participant has previously received. (The Participant should contact privacy@globaleagle.com if he or she would like to receive another copy of this notice.)*

11. **Requirements of Law and Securities Exchange.** The issuance and transfer of Shares of Common Stock pursuant to this Award shall be subject to compliance by the Company and the Participant with all applicable requirements of Federal, state or local securities laws and with all applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Award unless and until any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

12. **Country-Specific Provisions.** If the Participant resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Award shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Participant relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

13. **Miscellaneous.**

(a) **Amendment.** This Award of PSUs is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted and the conditions of this Agreement. The Committee may amend or modify this Award in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Award, provided that no such amendment or modification shall materially diminish the Participant's rights under this Agreement without his or her consent. Notwithstanding anything in this Agreement or the Plan to the contrary, this Award may be amended by the Company without the Participant's consent, including, but not limited to, modifications to any of the rights granted to the Participant under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements relating to "executive compensation clawbacks"). Except as in accordance with the two immediately preceding sentences and Section 13(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) **Discretionary Nature of Plan.** By accepting this Award, the Participant agrees that the granting of the Award is at the discretion of the Committee and that acceptance of this Award

is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Participant understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) Entire Agreement. This Agreement, the Grant Notice and the Plan together constitute the Participant's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Participant has signed any restrictive covenant agreements with the Company (including, but not limited to, any confidentiality, intellectual property rights assignment, non-competition, non-solicitation and non-disparagement agreements), such restrictive covenant agreements shall remain in full force and effect. Any restrictive conditions set forth in the Grant Notice shall apply in addition to (and shall not be limited by the provisions of) any such other restrictive covenant agreements to which the Participant may be a party with any of the Global Eagle Companies.

(d) Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) Compliance with Section 409A of the Code. This Agreement is intended to comply with or be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Award granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Award in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) Section 280G. If it is determined that any amount or benefit to be paid or payable to the Participant would give rise to a loss of deduction under Section 280G of the Code and the imposition of the excise tax under Section 4999 of the Code (the “Excise Tax”), then the amount or benefits payable to the Participant (the total value of such amounts or benefits, the “Payments”) shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Participant is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Participant retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced, they shall be reduced in the following order of priority in a manner consistent with Section 409A of the Code:

(i) first from cash

compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(g) No Impact on Other Benefits. The value of the Award is not part of the Participant's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) Notices. All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third-party administrator designated by the Company from time to time to administer the Award, or at such other address as may be designated in writing by either of the parties to the other party.

(i) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Participant and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in Delaware, and the Participant agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(j) Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(k) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(l) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(m) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(n) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Participant

understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

Nature of Grant. In accepting the grant of the Award, the Participant acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company;
- b. the grant of the Award is voluntary and occasional;
- c. all decisions with respect to future PSUs or other grants, if any, will be at the sole discretion of the Company;
- d. the Participant is voluntarily participating in the Plan;
- e. the Award and any Shares subject to the Award, and the income and value of same, are not intended to replace any pension rights or compensation;
- f. unless otherwise expressly agreed in a writing by the Participant with the Company, the Award and the Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate or Subsidiary;
- g. the future value of the Shares underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;
- h. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of the Participant's employment as provided for in the Plan or in the Agreement;
- i. for purposes of the Award, and unless otherwise expressly provided in the Plan, the Agreement, any employment agreement or otherwise determined by the Company, the Participant's employment will be considered terminated as of the date he or she is no longer actively providing services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any), and unless otherwise expressly provided in the Plan, the Grant Notice, the Agreement or determined by the Company, the Participant's right to vest in the Award under the Plan, if any, will terminate as of such date and will

not be extended by any notice period (e.g., the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any); the Committee shall have the exclusive discretion to determine when he or she is no longer actively providing services for purposes of the Award (including whether the Participant may still be considered to be providing services while on a leave of absence);

j. unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by the Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

k. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to him or her pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

Withholding Taxes. The following provisions supplement Section 4 of the Agreement:

The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any applicable taxable or tax withholding event, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by any of the methods referred to in Section 4 of this Agreement or by withholding from proceeds of the sale of the Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent.

Depending on the withholding method, the Company may withhold for Tax-Related Items by considering applicable maximum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates to the extent permitted by the Plan, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by

withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed herein. If the Participant is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Participant transfers or relocates employment or residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Participant vests in the Award or sells the Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Participant's responsibility, and not the Company's.

If the Participant is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers employment and/or residence to another country after the Grant Date, the information noted herein may not be applicable to the Participant in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Award, the Participant agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the vesting

of the Award and/or the sale of any Shares obtained as a result of such vesting. The Participant further agrees that, for all legal purposes, (a) the benefits provided to the Participant under the Plan are the result of commercial transactions unrelated to the Participant's employment; (b) the Plan is not a part of the terms and conditions of the Participant's employment; (c) the income from the Award, if any, is not part of the Participant's remuneration from employment; (d) the Participant is making an investment decision; (e) the Shares underlying the Award will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period; and (f) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Participant is responsible for complying with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

CANADA

Form of Settlement. Notwithstanding any discretion contained in Section 3.2(e) of the Plan or anything to the contrary in this Agreement, the Award (including any Dividend Equivalents) shall be settled in Shares only.

Securities Law Notice. The Participant is permitted to sell Shares acquired upon the vesting and settlement of the Award through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

The following provisions apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 10 of the Agreement:

The Participant hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further

authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Participant's employee file.

CHILE

Securities Law Notice. The offer of the Award constitutes a private offering of securities in Chile effective as of the Grant Date. This offer is made subject to general ruling N°336 of the Chilean Superintendence of Securities and Insurance ("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the securities are not registered in Chile, the Company is not required to provide public information about the securities in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

La oferta del Otorgamiento (Award, según se define en Inglés en este documento) constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión (Grant Date, según se define en Inglés en este documento). Esta oferta se acoge a las disposiciones de la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile ("SVS"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros de la SVS, y, por lo tanto, tales valores no están sujetos a la fiscalización de la SVS. Por tratarse de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de una oferta pública en Chile mientras que no sean inscritos en el registro de valores correspondiente en Chile.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at vesting are accepted as a personal investment. In the event that the Award vests and Shares are issued to the Participant (or his or her heirs) within six (6) months of the Grant Date, the Participant (or his or her heirs) agree that the Shares will not be offered to the public or otherwise disposed of prior to the six (6) - month anniversary of the Grant Date.

Securities Law Notice. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Award nor the issuance of Shares upon vesting and settlement of the Award constitutes a public offering of securities under Hong Kong law and are available only to employees of the Global Eagle Companies. The Agreement, the Plan and other incidental communication materials distributed in connection with the Award (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public

offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each employee of the Global Eagle Companies and may not be distributed to any other person.

INDIA

No country-specific provisions.

MALAYSIA

Data Privacy. The following provision supplements Section 10 of the Agreement:

The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.

The Participant understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Employer and also by the Participant through information collected in connection with the Agreement and the Plan.

The Participant understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the Award may be deposited. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be

Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya, seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.

Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah, alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor passport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua anugerah atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.

Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com. Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Anugerah diletak hak didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik

affected; the only consequence of refusing or withdrawing the consent is that the Company may not be able to grant the PSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the local human resources representative.

persetujuan adalah bahawa Syarikat tidak akan dapat memberikan Unit Saham Terbatas Berasaskan Prestasi atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjelaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Participant is a director of a Subsidiary or Affiliate of the Company in Malaysia, the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when Participant receives or disposes of an interest (e.g., the PSUs or Shares) in the Company or any related company. Such notifications must be made within fourteen (14) days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Participant agrees that any Shares be issued to him or her upon vesting and settlement of the Award will not be offered for sale or sold in Singapore prior to the six (6) -month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“**SFA**”).

Securities Law Notice. The Award is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA and is not being made with the view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Participant is the Chief Executive Officer (“**CEO**”) or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, he or she is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary or Affiliate in writing when he or she receives an interest (e.g., an Award or Shares) in the Company or any Subsidiary or Affiliate within two (2) business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Award, the Participant agrees that, immediately upon vesting of the Award, the Participant will notify the Employer of the amount of any gain realized. If the Participant fails to advise the Employer of the gain realized upon vesting, the Participant may be liable for a fine. The

Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Securities Law Notice. The Award and the Shares issued pursuant to the vesting of the Award are considered a small offering under Section 96 of the South Africa Companies Act, 2008 (Act No. 71 of 2008).

SPAIN

Labor Law Acknowledgement. The following provision supplements the Nature of Grant section in Appendix A of the Agreement:

By accepting the Award, the Participant acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Participant further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Awards under the Plan to employees of the Global Eagle Companies throughout the world. The decision to grant the Awards is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that the future value of the Shares is unknown and unpredictable.

Additionally, the Participant understands that the Award is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her employment terminates for any reason other than as expressly provided in Section III of the Grant Notice, the Participant's Award will cease vesting immediately effective as of the date of termination of the Participant's employment. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates employment due to the Global Eagle Companies' unilateral breach of contract; or (5) the Participant's employment terminates for any other reason whatsoever, in each case other than as expressly provided in Section III of the Grant Notice. Consequently, upon termination of the Participant's employment for any of the above reasons, he or she will automatically lose any rights to Awards granted to him or her that were unvested on the date of termination of his or her employment, as described in the Agreement.

Finally, the Participant understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Award shall be null and void.

Securities Law Notice. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Award. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Award is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Award (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (e.g., the Swiss Financial Market Supervisory Authority).

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of the Agreement.

Without limitation to the Withholding Taxes sections of the Agreement, the Participant agrees to be liable for any Tax-Related Items related to the Participant’s participation in the Plan and legally applicable to the Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty’s Revenue & Customs (“**HMRC**”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC on the Participant’s behalf (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an executive officer or director and the income tax is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year (April 6 - April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“*NICs*”) may be payable. The Participant acknowledges that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit.

ATTACHMENT III: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan

[To Be Provided to the Recipient Separately]

KEY BUSINESS LEADERS RSU FORM

**GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT GRANT NOTICE**

Global Eagle Entertainment Inc., a Delaware corporation (the “*Company*”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), hereby grants to the participant (the “*Participant*”) identified in this grant notice (this “*Grant Notice*”) an award (the “*Award*”) consisting of that number of restricted stock units (“*RSUs*”) identified in this Grant Notice. This Award is subject to all of the terms and conditions set forth herein and in the Restricted Stock Unit Award Agreement, including any country-specific provisions in the appendices attached hereto (the “*Agreement*”) and the Plan (collectively, the “*Award Documents*”), both of which are incorporated herein in their entirety.

Participant: [REDACTED]

Grant Date: [REDACTED]

Vesting Commencement Date: [REDACTED]

RSUs: [REDACTED] RSUs

Vesting Schedule: Subject to Sections 3, 6 and 7 of the Agreement, the RSUs will vest as follows: [(i) fifty percent (50%) of the RSUs will vest on the second (2nd) anniversary of the Vesting Commencement Date, (ii) twenty-five percent (25%) of the RSUs will vest on the third (3rd) anniversary of the Vesting Commencement Date and (iii) twenty-five percent (25%) of the RSUs will vest on the fourth (4th) anniversary of the Vesting Commencement Date.]¹

Additional Terms / Acknowledgements: The Participant acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Participant acknowledges that, if so determined by the Company in its discretion, the Participant may be required to accept the Award by electronic means and that such electronic acceptance constitutes the Participant's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Award, the Participant consents to receive any documents related to participation in the Plan and the Award by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Participant also acknowledges that this Grant Notice must be returned to the Company (including through electronic means). The Participant further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Participant and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject with the exception of the following agreements only, if any: [None.]

*ATTACHMENTS: I. Restricted Stock Unit Award Agreement
II. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan*

¹ Subject to variation.

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice, the Restricted Stock Unit Award Agreement and the Plan.

Award Recipient

Date

[Signature page to Restricted Stock Unit Grant Notice]

ATTACHMENT I: Restricted Stock Unit Award Agreement

A-1

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

1. **Grant of RSUs.** Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), hereby grants to the participant (the “**Participant**”) identified in the grant notice (the “**Grant Notice**”) to which this Restricted Stock Unit Award Agreement, including any country-specific provisions in the appendices attached hereto (this “**Agreement**”) is attached a restricted stock unit (“**RSU**”) award (this “**Award**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), consisting of that number of RSUs specified in the Grant Notice. The Award is subject to the terms and conditions of the Grant Notice, this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Award by electronic means or request the Participant’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Participant accepts the Award and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Awards issued under the Plan, and the Participant further acknowledges and agrees that this Award does not confer any legal or equitable right (other than those rights constituting the Award itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “**Global Eagle Companies**”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Participant hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Participant acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Award or disposition of the underlying Shares and that the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

3. **Vesting of RSUs.** A portion of the RSUs will vest, and the restrictions applicable thereto will lapse, on each applicable vesting date set forth in the Grant Notice (each, a “**Vesting Date**”), subject to the Participant’s continued employment (or if a consultant, engagement) with the Global Eagle Companies on each Vesting Date, except as otherwise provided in this Agreement.

4. **Dividend Equivalents.** Subject to the restrictions, limitations and conditions described in the Plan, Dividend Equivalents payable on the RSUs will be accrued on the Participant’s behalf at the time that cash dividends are otherwise paid to owners of Common Stock. Accrued Dividend Equivalent balances will be subject to the same restrictions and vesting schedule applicable

to the RSUs and will be paid to the Participant with the distribution of the Shares on each applicable Vesting Date (or the next business day thereafter, if such Vesting Date falls on a weekend or holiday).

5. Distribution of Shares Upon Vesting; Withholding Taxes. Upon each Vesting Date (or the next business day thereafter, if such Vesting Date falls on a weekend or holiday), the Company will deliver a number of Shares to the Participant equal to the percentage of the Award that vested in accordance with the Grant Notice and Section 3. The Participant is personally responsible for the payment of all Withholding Taxes related to the distribution of Shares. The Global Eagle Companies shall have the right (but not the obligation) to deduct from the Award an amount equal to any Withholding Tax or other taxes of any kind required by law to be withheld in connection with the settlement of the RSUs or other securities pursuant to this Agreement. If the distribution of RSUs is subject to tax withholding, the Participant hereby authorizes the Global Eagle Companies to satisfy its Withholding Tax obligations, if any, by withholding from payroll and any other amounts payable to Participant and/or a number of Shares with a market value not less than the amount of such taxes. If, at the time of settlement, the Company does not permit the withholding of Shares to pay the amount of income and employment taxes due in respect of the vested portion of the Award, then the Participant must pay to the Company an amount in cash sufficient to satisfy all of the Company's Withholding Tax obligations, or if the Participant has so elected during an "open window period" under the Company's securities-trading policy (as in effect from time to time), then the Participant may elect that the Company sell the number of Shares sufficient to satisfy such tax withholding requirements. Any cash from Dividend Equivalents remaining after withholding taxes are paid will be paid in cash to the Participant. If withholding of taxes is not required, none will be taken and the gross number of Shares will be distributed.

6. Provisions for Termination.

(a) Death or Disability. If the Participant's employment with the Global Eagle Companies terminates due to the Participant's death or Disability, all RSUs will vest in full as of the date on which the Participant is determined to be totally Disabled or the date of the Participant's death. The Shares underlying the RSUs will be distributed no later than two and half (2½) months following the end of the calendar year in which the Participant dies or becomes Disabled.

(b) Termination of Employment by the Company Without Cause or for Good Reason. If the Participant's employment with the Global Eagle Companies is terminated without Cause or by the Participant for Good Reason, then the Participant will become vested in a pro-rated number of RSUs based on a fraction, the numerator of which is the number of days the Participant was employed with the Global Eagle Companies from the Vesting Commencement Date through the date of termination plus 365 and the denominator of which is 1,460. The Shares underlying the RSUs will be distributed no later than two and half (2½) months following the end of the calendar year in which such termination occurs.

(c) Termination of Employment Other than by the Company Without Cause, Other than by the Participant for Good Reason or Other than due to Death or Disability. Subject to Section 6(d), if the Participant ceases to be employed by the Global Eagle Companies for any reason (including a voluntary resignation) other than termination by the Company without Cause or other

than by the Participant for Good Reason or other than the Participant's death or Disability, all unvested RSUs will be automatically forfeited as of the date of termination.

(d) Discharge for Cause. For purposes of this Award, "**Cause**" means the occurrence of any one or more of the following events:

- i. A material violation of any Company policy, including but not limited to any policy contained in the Company's Code of Ethics;
- ii. Embezzlement from, or theft of property belonging to, the Global Eagle Companies;
- iii. Willful failure to perform, or gross negligence in the performance of, assigned duties;
- iv. Material breach of fiduciary duty to the Global Eagle Companies (including, without limitation, acting in competition with, or taking other adverse action against, the Global Eagle Companies during the period of Participant's employment with the Global Eagle Companies, including soliciting employees of the Global Eagle Companies for alternative employment); or
- v. Other intentional misconduct, whether related to employment or otherwise, which has, or has the potential to have, a material adverse effect on the business conducted by the Global Eagle Companies, in each case, subject to the procedural requirements set forth in Section 6(e).

If the Participant ceases to be employed (or if a consultant, engaged) by the Global Eagle Companies because he or she is discharged for Cause, the right to receive these RSUs, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

(e) Procedure for Termination with Cause. Any termination of the employment of an Participant shall not be deemed to be for Cause unless and until

- i. The Participant has been provided written notice detailing the facts or circumstances constituting such Cause event at least 30 days before the proposed date of termination; provided, that the Company shall have the right to suspend the Participant with pay during such period;
- ii. The Participant has been provided with a reasonable opportunity, together with counsel for the Participant (at the Participant's option and expense), to be heard by the Compensation Committee (in respect of any Section 16 Participant) or a panel of senior executive officers of the Company (in respect

of any Non-Section 16 Participant) regarding any disputed facts prior to such proposed date of termination; and

iii.To the extent capable of cure, the Participant fails to cure such facts or circumstances within such 30-day period; provided, that the Compensation Committee or such panel of senior executive officers of the Company, as applicable, shall determine in good faith whether such Cause event exists following such hearing and, if applicable, whether and how such Cause event is capable of being cured. If it is determined that no such Cause event exists and the Company determines to terminate the Participant's employment with the Company, then such termination shall constitute a termination without Cause for purposes of this Agreement.

(f) Definition of Good Reason. For purposes of this Award, "**Good Reason**" means the occurrence of any one or more of the following events without the prior written consent of the Participant:

- i. A material adverse change in the Participant's duties or responsibilities (such that the compensation paid to the Participant would not continue to be deemed rational based on the Participant's revised duties or responsibilities);
- ii. A reduction of more than 15% in the Participant's base salary as in effect for the 12-month period immediately prior to such reduction, other than in connection with an across-the-board reduction of the base salaries of similarly situated employees or due to changes in the Participant's duties and responsibilities with the Participant's prior written consent;
- iii. A reduction of more than 15% in the Participant's annual target bonus as in effect immediately prior to such reduction or the Participant becoming ineligible to participate in bonus plans applicable to similarly situated employees, other than in connection with an across-the-board reduction of the annual target bonuses of similarly situated employees or due to changes in the Participant's duties and responsibilities with the Participant's prior written consent; or
- iv. A change in the Participant's principal place of work to a location of more than 50 miles in each direction from the Participant's principal place of work immediately prior to such change in location; provided, that such change increases the Participant's commute from the Participant's principal residence by more than 50 miles in each direction and more than 3 times per week on average;

provided, that (x) the Participant provides a notice of termination to the Company within 90 days of the initial existence of the facts or circumstances constituting such

event, (y) the Company fails to cure such facts or circumstances within 30 days after receipt of such notice and (z) the termination date of the Participant occurs no later than 30 days after the expiration of the such cure period.

7. Provisions Upon a Change of Control.

- (a) Upon the occurrence of a Change of Control, all RSUs subject to this Award shall become fully vested as of the consummation of the Change of Control and shall be settled as promptly as practicable thereafter, but in no event later than forty-five (45) days following the Change of Control.
- (b) In the event of the termination of the Participant's employment with the Global Eagle Companies (or their successor) without Cause or by the Participant for Good Reason within the period beginning 120 days prior to the date of the Change of Control and ending on the second anniversary of such Change of Control, all RSUs will vest in full as of the date of such termination.

8. Non-transferability of RSUs. Prior to each applicable Vesting Date, this Award is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Award or such rights, this Award and such rights shall, at the election of the Company, become null, void and of no further force of effect.

9. Forfeiture; Clawback.

(a) Notwithstanding anything contained in this Agreement to the contrary, if during the Participant's employment or consultancy, the Participant engages in any activity inimical, contrary or harmful to the interests of the Global Eagle Companies, including, but not limited to: (i) violating the Company's Code of Ethics or Whistleblower Policy and Procedures, as maintained from time to time, (ii) disclosing or misusing any confidential information regarding the Global Eagle Companies, or (iii) disparaging or criticizing, orally or in writing, the business, products, policies, decisions, directors, officers or employees of the Global Eagle Companies to any person (all activities described in (i) – (iii) above collectively referred to as "wrongful conduct"), then (x) the RSUs, to the extent they remain subject to restriction, shall be forfeited automatically as of the date on which the Participant first engaged in such wrongful conduct and (y) the Participant shall pay to the Company in cash any financial gain he or she received with respect to this Award within the twelve (12) month period immediately preceding such wrongful conduct. For purposes of this Section 9, "financial gain" shall equal, on each Vesting Date during the twelve (12) month period immediately preceding such wrongful conduct, the Fair Market Value of a Share on such Vesting Date, multiplied by the number of Shares that correspond to the RSUs vested on such Vesting Date, reduced by any taxes paid in countries other than the United States with respect to such vesting, and which taxes are not otherwise eligible for refund from the taxing authorities.

(b) Notwithstanding the foregoing, nothing in this Agreement prohibits the Participant from voluntarily communicating, without notice to or approval by the Company, with

any federal or state government agency about a potential violation of a federal or state law or regulation or to participate in investigations, testify in proceedings regarding the Company's or any member of the Global Eagle Companies' past or future conduct, or engage in any activities protected under whistleblower statutes. Further, pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally, or civilly, liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Participant may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, if the Participant files a lawsuit alleging retaliation by the Company or any member of the Global Eagle Companies for reporting a suspected violation of the law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret in the court proceeding, if the Participant files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(c) By accepting this Agreement, the Participant consents to and authorizes the Company to deduct, from any amounts payable by the Company to the Participant, any amounts the Participant owes to the Company under this Section 9. This right of set-off is in addition to any other remedies the Company may have against the Participant for breach of this Agreement.

(d) Notwithstanding any other provisions in this Agreement to the contrary, the Award and any amounts received upon the settlement of the Award shall be subject to such recovery or deductions as may be required under any law, government regulation, stock exchange listing requirement or clawback or similar policy adopted by the Board (as such policy may be amended from time to time), Section 12.4 of the Plan or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement or Board policy.

10. No Special Employment or Similar Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any Person under any circumstances to bind the Global Eagle Companies to continue the employment or consultancy of the Participant or to limit the discretion of the Global Eagle Companies to terminate the Participant's employment or consultancy at any time, with or without Cause. However, during the period of the Participant's employment or consultancy with the Global Eagle Companies, the Participant shall render diligently and faithfully the services which are assigned to the Participant from time to time by the Board, any committee thereof, or by the executive officers of the Company and shall at no time take any action which, directly or indirectly, would be inconsistent with the best interests of the Company. The Participant further acknowledges that this Award is for future services to the Global Eagle Companies and is not under any circumstances to be considered compensation for past services.

11. Rights as a Shareholder. Except as provided in Section 4 above (regarding Dividend Equivalents), by accepting this Award, the Participant shall have no rights as a shareholder of the Company in respect of the RSUs, including any voting rights, unless and until the date on which the RSUs have vested and the Participant becomes the holder of record of the Shares issuable upon the vesting of the RSUs on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock.

12. **Adjustments.** The number of RSUs subject to this Award may be adjusted in any manner as contemplated by Section 4.5 of the Plan.

13. **Privacy Notice.** *The Participant's employer (the "Employer"), the Company and any Subsidiary or Affiliate may collect, use, process, transfer or disclose the Participant's personal data for the purpose of implementing, administering and managing the Participant's participation in the Plan, in accordance with the Global Eagle Entertainment Employee and Job Candidate Privacy Notice the Participant has previously received. (The Participant should contact privacy@globaleagle.com if he or she would like to receive another copy of this notice.)*

14. **Requirements of Law and Securities Exchange.** The issuance and transfer of Shares of Common Stock pursuant to this Award shall be subject to compliance by the Company and the Participant with all applicable requirements of Federal, state or local securities laws and with all applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Award unless and until any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

15. **Country-Specific Provisions.** If the Participant resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Award shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Participant relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

16. **Miscellaneous.**

(a) **Amendment.** This Award of RSUs is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted and the conditions of this Agreement. The Committee may amend or modify this Award in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Award, provided that no such amendment or modification shall materially diminish the Participant's rights under this Agreement without his or her consent. Notwithstanding anything in this Agreement or the Plan to the contrary, this Award may be amended by the Company without the Participant's consent, including, but not limited to, modifications to any of the rights granted to the Participant under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements relating to "executive compensation clawbacks"). Except as in accordance with the two immediately preceding sentences and Section 16(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) **Discretionary Nature of Plan.** By accepting this Award, the Participant agrees that the granting of the Award is at the discretion of the Committee and that acceptance of this Award is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Participant understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) **Entire Agreement.** This Agreement, the Grant Notice and the Plan together constitute the Participant's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Participant has signed any restrictive covenant agreements with the Company (including, but not limited to, any confidentiality, intellectual property rights assignment, non-competition, non-solicitation and non-disparagement agreements), such restrictive covenant agreements shall remain in full force and effect.

(d) **Severability.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) **Compliance with Section 409A of the Code.** This Agreement is intended to comply with or be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Award granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Award in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) **Section 280G.** If it is determined that any amount or benefit to be paid or payable to the Participant would give rise to a loss of deduction under Section 280G of the Code and the imposition of the excise tax under Section 4999 of the Code (the "Excise Tax"), then the amount or benefits payable to the Participant (the total value of such amounts or benefits, the "Payments") shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Participant is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Participant retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced, they shall be reduced in the following order of priority in a manner consistent with Section 409A of the Code:

(i) first from cash

compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(g) No Impact on Other Benefits. The value of the Award is not part of the Participant's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) Notices. All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third-party administrator designated by the Company from time to time to administer the Award, or at such other address as may be designated in writing by either of the parties to the other party.

(i) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Participant and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in Delaware, and the Participant agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(j) Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(k) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(l) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(m) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(n) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Participant

understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
RESTRICTED STOCK UNIT AWARD AGREEMENT
PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

I. Nature of Grant. In accepting the grant of the Award, the Participant acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company;
- b. the grant of the Award is voluntary and occasional;
- c. all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company;
- d. the Participant is voluntarily participating in the Plan;
- e. the Award and any Shares subject to the Award, and the income and value of same, are not intended to replace any pension rights or compensation;
- f. unless otherwise expressly agreed in a writing by the Participant with the Company, the Award and the Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or Affiliate;
- g. the future value of the Shares underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;
- h. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of the Participant's employment as provided for in the Plan or in the Agreement;
- i. for purposes of the Award, and unless otherwise expressly provided in the Plan, the Grant Notice, the Agreement, any employment agreement or as otherwise determined by the Company, the Participant's employment will be considered terminated as of the date he or she is no longer actively providing services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any), and unless otherwise expressly provided in the Plan, the Agreement or determined by the

Company, the Participant's right to vest in the Award under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where he or she is employed or the terms of his or her employment agreement, if any); the Committee shall have the exclusive discretion to determine when he or she is no longer actively providing services for purposes of the Award (including whether the Participant may still be considered to be providing services while on a leave of absence);

j. unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by the Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

k. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to him or her pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

II. Withholding Taxes. The following provisions supplement Section 5 of the Agreement:

The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any applicable taxable or tax withholding event, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by any of the methods referred to in Section 5 of this Agreement or by withholding from proceeds of the sale of the Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent.

Depending on the withholding method, the Company may withhold for Tax-Related Items by considering applicable maximum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates to the extent permitted by the Plan, in which case the

Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
RESTRICTED STOCK UNIT AWARD AGREEMENT

COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed herein. If the Participant is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Participant transfers or relocates employment or residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Participant vests in the Award or sells the Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Participant's responsibility, and not the Company's.

If the Participant is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers employment and/or residence to another country after the Grant Date, the information noted herein may not be applicable to the Participant in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Award, the Participant agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the vesting of the Award and/or the sale of any Shares obtained as a result of such vesting. The Participant further agrees that, for all legal purposes, (a) the benefits provided to the Participant under the Plan are the result of commercial transactions unrelated to the Participant's employment; (b) the Plan is not a part of the terms and conditions of the Participant's employment; (c) the income from the Award, if any, is not part of the Participant's remuneration from employment; (d) the Participant is making an investment decision; (e) the Shares underlying the Award will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period; and (f) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Participant is responsible for complying with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

CANADA

Form of Settlement. Notwithstanding any discretion contained in Section 3.2(e) of the Plan or anything to the contrary in this Agreement, the Award (including any Dividend Equivalents) shall be settled in Shares only.

Securities Law Notice. The Participant is permitted to sell Shares acquired upon the vesting and settlement of the Award through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

The following provisions apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 13 of the Agreement:

The Participant hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Participant's employee file.

CHILE

Securities Law Notice. The offer of the Award constitutes a private offering of securities in Chile effective as of the Grant Date. This offer is made subject to general ruling N336 of the Chilean Superintendence of Securities and Insurance ("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the securities are not registered in Chile, the Company is not required to provide public information about the securities in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

La oferta del Otorgamiento (Award, según se define en Inglés en este documento) constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión (Grant Date, según se define en Inglés en este documento). Esta oferta se acoge a las disposiciones de la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile ("SVS"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros de la SVS, y, por lo tanto, tales valores no están sujetos a la fiscalización de la SVS. Por tratarse de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de una oferta pública en Chile mientras que no sean inscritos en el registro de valores correspondiente en Chile.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at vesting are accepted as a personal investment. In the event that the Award vests and Shares are issued to the Participant (or his or her heirs) within six (6) months of the Grant Date, the Participant (or his or her heirs) agree that the Shares will not be offered to the public or otherwise disposed of prior to the six (6) - month anniversary of the Grant Date.

Securities Law Notice. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Award nor the issuance of Shares upon vesting and settlement of the Award constitutes a public offering of securities under Hong Kong

law and are available only to employees of the Global Eagle Companies. The Agreement, the Plan and other incidental communication materials distributed in connection with the Award (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each employee of the Global Eagle Companies and may not be distributed to any other person.

INDIA

No country-specific provisions.

MALAYSIA

Data Privacy. The following provision supplements Section 13 of the Agreement:

<p><i>The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.</i></p>	<p><i>Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya, seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.</i></p>
<p><i>The Participant understands that the Employer, the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Employer and also by the Participant through information collected in connection with the Agreement and the Plan.</i></p>	<p><i>Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah, alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor pasport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua anugerah atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.</i></p>
<p><i>The Participant understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the Award may be deposited. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the</i></p>	<p><i>Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com. Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Anugerah diletak hak didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana</i></p>

Participant does not consent, or if the Participant later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be affected; the only consequence of refusing or withdrawing the consent is that the Company may not be able to grant the PSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the local human resources representative.

kes tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat memberikan Unit Saham Terbatas Berasaskan Prestasi atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjelaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Participant is director of a Subsidiary or Affiliate of the Company in Malaysia, the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when Participant receives or disposes of an interest (*e.g.*, the RSUs or Shares) in the Company or any related company. Such notifications must be made within fourteen (14) days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Participant agrees that any Shares be issued to him or her upon vesting and settlement of the Award will not be offered for sale or sold in Singapore prior to the six(6)-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“**SFA**”).

Securities Law Notice. The Award is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA and is not being made with the view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Participant is the Chief Executive Officer (“**CEO**”) or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, he or she is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary or Affiliate in writing when he or she receives an interest (*e.g.*, an Award or Shares) in the Company or any Subsidiary or Affiliate within two (2) business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (*e.g.*, sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Award, the Participant agrees that, immediately upon vesting of the Award, the Participant will notify the Employer of the amount of any gain realized. If the Participant fails to advise the Employer of the gain realized upon vesting, the Participant may be liable for a fine. The

Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Securities Law Notice. The Award and the Shares issued pursuant to the vesting of the Award are considered a small offering under Section 96 of the South Africa Companies Act, 2008 (Act No. 71 of 2008).

SPAIN

Labor Law Acknowledgment. The following provision supplements the Nature of Grant section in Appendix A of the Agreement:

By accepting the Award, the Participant acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Participant further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Awards under the Plan to employees of the Global Eagle Companies throughout the world. The decision to grant the Awards is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that the future value of the Shares is unknown and unpredictable.

Additionally, the Participant understands that the Award is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her employment terminates for any reason other than as expressly provided in Section 6 of the Agreement, the Participant's Award will cease vesting immediately effective as of the date of termination of the Participant's employment. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates employment due to the Global Eagle Companies' unilateral breach of contract; or (5) the Participant's employment terminates for any other reason whatsoever, in each case other than as expressly provided in Section 6 of the Agreement. Consequently, upon termination of the Participant's employment for any of the above reasons, he or she will automatically lose any rights to Awards granted to him or her that were unvested on the date of termination of his or her employment, as described in the Agreement.

Finally, the Participant understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Award shall be null and void.

Securities Law Notice. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Award. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Award is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Award (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (e.g., the Swiss Financial Market Supervisory Authority).

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of the Agreement.

Without limitation to the Withholding Taxes sections of the Agreement, the Participant agrees to be liable for any Tax-Related Items related to the Participant’s participation in the Plan and legally applicable to the Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty’s Revenue & Customs (“**HMRC**”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC on the Participant’s behalf (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an executive officer or director and the income tax is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year (April 6 - April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“**NICs**”) may be payable. The Participant acknowledges that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit.

**ATTACHMENT II: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term
Incentive Plan**

[To Be Provided to the Recipient Separately]

NON-EMPLOYEE DIRECTOR OPTION FORM

**GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION GRANT NOTICE FOR NON-EMPLOYEE DIRECTORS**

**[NOTE: THIS IS THE NON-EMPLOYEE DIRECTOR FORM; EMPLOYEE FORM IS
DIFFERENT/PLEASE DELETE PRIOR TO UPLOADING TO ETRADE]**

Global Eagle Entertainment Inc., a Delaware corporation (the “*Company*”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), hereby grants to the non-employee member (the “*Optionee*”) of the Company’s Board of Directors identified in this grant notice (this “*Grant Notice*”) an option (the “*Option*”) to purchase that number of Shares (the “*Underlying Shares*”) of common stock, par value \$0.0001 per share of the Company (“*Common Stock*”) at the price per Share identified in this Grant Notice (the “*Exercise Price*”). This Option is subject to all of the terms and conditions set forth herein and in the Non-Qualified Stock Option Award Agreement, including any country-specific provisions included in the appendices attached thereto (the “*Agreement*”) and the Plan (collectively, the “*Award Documents*”), both of which are incorporated herein in their entirety.

Optionee: [REDACTED]

Grant Date: [REDACTED]

Expiration Date: Seventh (7th) anniversary of the Grant Date

Underlying Shares Subject to Award: [REDACTED]

Exercise Price Per Underlying Share: [REDACTED]

Vesting Schedule: Subject to Sections 4 and 5 of the Agreement, the Option will vest on [the earlier of (i) the first (1st) anniversary of the Grant Date and (ii) the end of the first calendar day preceding the Company's next Annual Meeting of Stockholders.]¹

Additional Terms / Acknowledgements: The Optionee acknowledges receipt of the Award Documents and the prospectus for the Plan, and understands and agrees to the terms set forth in the Award Documents. The Optionee acknowledges that, if so determined by the Company in its discretion, the Optionee may be required to accept the Option by electronic means and that such electronic acceptance constitutes the Optionee's agreement to be bound by all of the terms and conditions of the Award Documents. By accepting the Option, the Optionee consents to receive any documents related to participation in the Plan and the Option by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. The Optionee also acknowledges that this Grant Notice must be returned to the Company (including through electronic means). The Optionee further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between the Optionee and the Company regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject.

*ATTACHMENTS: I. Non-Qualified Stock Option Award Agreement for Non-Employee Directors
II. Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan*

¹ Subject to variation.

The undersigned hereby acknowledges, accepts, and agrees to all terms and provisions of the foregoing Grant Notice, the Non-Qualified Stock Option Award Agreement and the Plan.

Option Recipient

Date

[*Signature page to Non-Qualified Stock Option Grant Notice*]

ATTACHMENT I: Non-Qualified Stock Option Award Agreement for Non-Employee Directors

B-4

GLOBAL EAGLE ENTERTAINMENT INC.
AMENDED AND RESTATED 2017 OMNIBUS LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT FOR NON-EMPLOYEE DIRECTORS

1. **Grant of Option.** Global Eagle Entertainment Inc., a Delaware corporation (the “**Company**”), hereby grants to the non-employee member (the “**Optionee**”) of the Company’s Board of Directors (the “**Board**”) identified in the grant notice (the “**Grant Notice**”) to which this Non-Qualified Stock Option Award Agreement, including any country-specific provisions in the appendices attached hereto (this “**Agreement**”) is attached an option (this “**Option**”), pursuant to the Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), to purchase that number of Shares (the “**Underlying Shares**”) of common stock, par value \$0.0001 per share of the Company (“**Common Stock**”), specified in the Grant Notice, at the price per Share (the “**Exercise Price**”) specified in the Grant Notice. The Option is subject to the terms and conditions of the Grant Notice, this Agreement and the Plan. Except where the context otherwise requires, the term “Company” shall include the parent and all subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). Capitalized terms used but not otherwise defined herein or in the Grant Notice shall have the meaning ascribed to such terms in the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated by reference herein. To the extent that any term of this Agreement or the Grant Notice conflicts or is otherwise inconsistent with any term of the Plan, as amended from time to time, the terms of the Plan shall take precedence and supersede any such conflicting or inconsistent term contained herein.

2. **Acceptance and Acknowledgement.** The Company may, in its sole discretion, choose to deliver any documents related to participation in the Plan and the Option by electronic means or request the Optionee’s consent to participate in the Plan by electronic means. By signing (electronically or otherwise) the Grant Notice, the Optionee accepts the Option and agrees to be bound by the terms and conditions of the Grant Notice, this Agreement, the Plan and any and all conditions established by the Company in connection with Shares issued under the Plan, and the Optionee further acknowledges and agrees that this Option does not confer any legal or equitable right (other than those rights constituting the Option itself) against the Company or any Subsidiary or Affiliate thereof (collectively, the “**Global Eagle Companies**”) directly or indirectly, or give rise to any cause of action at law or in equity against the Global Eagle Companies. The Optionee hereby acknowledges receipt of a copy of the Plan and the prospectus for the Plan. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Underlying Shares and that the Optionee has been advised to consult a tax advisor prior to such exercise or disposition.

3. **Non-Qualified Stock Option.** This Option is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Code.

4. **Exercise of Option and Provisions for Termination.**

(a) **Vesting Schedule.** Subject to the Optionee’s continuous service as a member of the Board of the Company through the vesting date, and except as otherwise provided in this

Agreement, this Option shall vest as provided in the Grant Notice, until such time as this Option is fully vested. Except as otherwise provided in this Agreement, once vested pursuant to this Section 4, this Option may be exercised any time prior to the expiration date identified in the Grant Notice (the “***Expiration Date***”), subject to Sections 4(d) through (f). The right of exercise shall be cumulative, so that if this Option is not exercised to the maximum extent permissible during any exercise period, it shall be exercisable, in whole or in part, with respect to all Underlying Shares not so purchased at any time prior to the Expiration Date or the earlier termination of this Option. This Option may not be exercised at any time after the Expiration Date.

(b) **Exercise Procedure**. Subject to the conditions set forth in this Agreement, the Optionee may exercise this Option by delivery of notice to the Company or its designated Administrative Service (as defined below) in a form (which may be electronic) approved by the Company, accompanied by payment of consideration in an amount equal to the aggregate Exercise Price for the Underlying Shares to be purchased by such means as may be permitted by the Company or the Administrative Service, including (if then permitted by the Company), by electing that the Company or the Administrative Service withhold such number of Underlying Shares (x) having an aggregate Fair Market Value equal in amount to the aggregate Exercise Price for all Underlying Shares to be purchased plus (y) the amount of Withholding Taxes and applicable fees, if applicable. If, at the time of exercise, the Company does not permit the withholding of Underlying Shares to pay the amount of applicable income tax in clause (y), then the Optionee must pay to the Company an amount in cash sufficient to satisfy all of the Company’s Withholding Tax obligations, or if the Optionee has so elected during an “open window period” under the Company’s securities-trading policy (as in effect from time to time), then the Optionee may elect that the Company sell the number of Underlying Shares sufficient to satisfy such tax withholding requirements. Such exercise shall be effective upon receipt by the Company or the Administrative Service of such notice together with the required payment. The Optionee may purchase less than the number of Underlying Shares for which this Option is vested at any point in time; provided, however, that no partial exercise of this Option may be for any fractional shares. For purposes of this Agreement, “***Administrative Service***” shall mean any third-party stock option administrator designated by the Company from time to time, provided that, the Company shall administer this Option until such time as an Administrative Service is engaged by the Company.

(c) **Continuous Service Required**. Except as otherwise provided in this Section 4, this Option may not be exercised unless the Optionee, at the time that he or she exercises this Option, is, and has been at all times since the Grant Date of this Option, in continuous service as a member of the Board of the Company.

(d) **Exercise Period Upon Termination of Service**. Except as otherwise set forth in any service, employment, severance and release or similar agreement to which the Optionee is a party with the Company or under Sections 4(e) or (f), if the Optionee ceases to be a member of the Company’s Board for any reason (including a voluntary resignation for any reason or no reason) other than death or Disability or a discharge for Cause, the right to exercise this Option shall terminate ninety (90) days after such cessation (but in no event after the Expiration Date); provided, however, that this Option shall be exercisable only to the extent that the Option was vested on the date of such cessation.

(e) Exercise Period Upon Death or Disability. If the Optionee dies or becomes Disabled prior to the Expiration Date while he or she is a member of the Company's Board, this Option shall be exercisable for one (1) year following the date of death or Disability of the Optionee (but in no event after the Expiration Date) by the Optionee or by the person to whom this Option is transferred by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined in the Code) or Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the rules thereunder; provided, however, that this Option shall be exercisable only to the extent that the Option was vested on the date of the Optionee's death or Disability. Except as otherwise indicated by the context, the term "Optionee," as used in this Agreement, shall be deemed to include the estate of the Optionee or any person who acquires the right to exercise this Option by bequest or inheritance or otherwise by reason of the death of the Optionee or pursuant to a qualified domestic relations order (as defined in the Code) or Title I of ERISA, or the rules promulgated thereunder.

(f) Discharge for Cause. If the Optionee, prior to the Expiration Date, ceases to be a member of the Company's Board because he or she is discharged for Cause, the right to exercise this Option, whether vested or unvested, shall terminate immediately and automatically for no consideration upon such discharge.

5. Provisions Upon a Change of Control.

(a) Treatment if Option is Assumed, Substituted, Converted or Replaced. If, in connection with a Change of Control, the Option is assumed, substituted, converted or replaced by the surviving corporation (including the Company if the Company is the surviving corporation) or its parent with equity or equity-based awards in respect of a publicly-traded security having rights and entitlements substantially equivalent to or better than the rights and terms applicable to the outstanding Options immediately prior to the Change of Control, including without limitation, the value of the Options and an identical or better vesting schedule and provided that the terms of the Alternative Awards state that in the event of (i) termination of the Optionee's service by the surviving corporation, its parent or the Company (as applicable) without Cause at any time prior to the vesting date for the Option or (ii) voluntary resignation from the Board by the Optionee, in each case within thirty (30) days following the consummation of such Change of Control, the Option shall become fully vested as of the service termination date and the Optionee shall be entitled to cash, marketable stock or a combination of both having a value equal to the Fair Market Value of the Underlying Shares on the service termination date, less the Exercise Price. Such cash or marketable stock shall be settled as promptly as practicable thereafter, but in no event later than forty-five (45) days following the service termination date.

(b) Treatment if Option is Not Assumed, Substituted, Converted or Replaced. If, in connection with a Change of Control, the Option is not assumed, substituted, converted or replaced by the surviving corporation (including the Company if the Company is the surviving corporation) or its parent with equity or equity-based awards in respect of a publicly-traded security having an equivalent value and vesting schedule to those applicable to the Option immediately prior to the Change of Control, then the Option, whether or not then vested, shall become fully vested and exercisable as of immediately prior to the consummation of the Change of Control and the Optionee shall be entitled to cash, marketable stock or a combination of both having a value equal to the Fair

Market Value of the Underlying Shares upon such Change of Control, less the Exercise Price. Such cash or marketable stock shall be settled as promptly as practicable thereafter, but in no event later than forty-five (45) days following the Change of Control.

6. Non-transferability of Option. Except as provided in Section 4(e), this Option is personal and no rights granted hereunder may be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of such rights contrary to the provisions hereof, or upon the levy of any attachment or similar process upon this Option or such rights, this Option and such rights shall, at the election of the Company, become null, void and of no further force or effect.

7. Rights as a Shareholder. The Optionee shall have no rights as a shareholder with respect to any Underlying Shares unless and until the date on which the Optionee becomes the holder of record of the Underlying Shares purchased pursuant to this Option on the books and records of the Company, as maintained by the transfer agent for the Company's Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to such date.

8. Adjustments.

(a) General. The Underlying Shares may be adjusted or terminated in any manner as contemplated by Section 4.5 of the Plan.

(b) Limits on Adjustments. No adjustment shall be made under Section 4.5 of the Plan which would, within the meaning of any applicable provision of the Code, constitute a modification, extension or renewal of this Option or a grant of additional benefits to the Optionee.

9. Withholding Taxes. The Company's obligation to deliver Underlying Shares upon the exercise of this Option shall be subject to the Optionee's satisfaction of all Withholding Tax requirements to the extent applicable.

10. Consent to Transfer Personal Data. *By accepting this Option, the Optionee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described herein. The Optionee is not obliged to consent to such collection, use, processing and transfer of personal data. The Company holds certain personal information about the Optionee, that may include his or her name, home address and telephone number, fax number, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport/visa information, age, language skills, driver's license information, date of birth, birth certificate, social security number or other employee identification number, nationality, C.V. (or resume), wage history, employment references, job title, employment or severance contract, current wage and benefit information, personal bank account number, tax related information, plan or benefit enrollment forms and elections, option or benefit statements, any Shares or directorships in the Company, details of all options or any other entitlements to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Optionee's favor, for the purpose of managing and administering the Plan ("Data"). The Company and/or its Subsidiaries or Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan, and the Company may further transfer*

Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. The Optionee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and the subsequent holding of Shares on the Optionee's behalf to a broker or other third party with whom the Optionee may elect to deposit any Shares acquired pursuant to the Plan. The Optionee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's service with the Company will not be affected; the only consequence of refusing or withdrawing consent is that the Company may not be able to grant Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing his or her consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

11. Requirements of Law and Securities Exchange. The exercise of the Option and the issuance and transfer of Shares of Common Stock shall be subject to compliance by the Company and the Optionee with all applicable requirements of Federal, state or local securities laws and with all applicable requirements of any stock exchange on which the Company's Shares of Common Stock may be listed. No Shares of Common Stock shall be issued pursuant to this Option unless and until any then applicable requirements of state, local or Federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Optionee understands that the Company is under no obligation to register the Shares of Common Stock with the U.S. Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

12. Country-Specific Provisions. If the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Option shall be subject to the additional terms and conditions set forth in Appendix A to this Agreement and any terms and provisions as set forth in Appendix B for his or her country. Moreover, if the Optionee relocates outside the United States, the additional terms and conditions in Appendix A (applicable to all non-United States countries) and Appendix B (applicable to his or her specific country) will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

13. Miscellaneous.

(a) Amendment. This Option is documented by the records of the Committee or its delegate, which records shall be the final determinant of the number of Shares granted subject to the Option and the conditions of this Agreement. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall materially diminish the Optionee's rights under this Agreement without his or her consent. Notwithstanding anything

in this Agreement or the Plan to the contrary, this Option may be amended by the Company without the Optionee's consent, including, but not limited to, modifications to any of the rights granted to the Optionee under this Agreement, at such time and in such manner as the Company may consider necessary or desirable to reflect changes in law (including for regulatory, legal and Company requirements). Except as in accordance with the two immediately preceding sentences and Section 13(b), this Agreement may be amended, modified or supplemented only by an instrument in writing signed (electronically or manually) by both parties hereto.

(b) Discretionary Nature of Plan. By accepting this Option, the Optionee agrees that the granting of the Option is at the discretion of the Committee and that acceptance of the Option is no guarantee that future Awards will be granted under the Plan or any other equity incentive plan maintained from time to time by the Company. The Optionee understands that the Company may amend, resubmit, alter, change, suspend, cancel, or discontinue the Plan with respect to future awards at any time without limitation.

(c) Entire Agreement. This Agreement, the Grant Notice and the Plan together constitute the Optionee's and the Company's entire understanding with respect to the subject matter hereof and supersede and void any and all prior agreements or understandings, written or oral, regarding the subject matter hereof, including, but not limited to, any term sheets. Notwithstanding the foregoing, to the extent that the Optionee has signed any restrictive covenant agreements with the Company, such restrictive covenant agreements shall remain in full force and effect.

(d) Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

(e) Compliance with Section 409A of the Code. This Agreement is intended to be exempt from Section 409A of the Code and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Optionee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement or the Plan to the contrary, to the extent that the Committee determines that any portion of the Option granted hereunder is subject to Section 409A of the Code and fails to comply with the requirements thereof, the Committee reserves the right to amend, restructure, terminate or replace such portion of the Option in order to cause it to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such Section.

(f) Notices. All notices under this Agreement shall be mailed, delivered by hand, or delivered by electronic means to the parties pursuant to the contact information for the applicable party set forth in the records of the Company or any third party administrator designated by the Company from time to time to administer the Option, or at such other address as may be designated in writing by either of the parties to the other party.

(g) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles thereof regarding conflicts of law. The Optionee and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in Delaware, and the Optionee agrees to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(h) Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(i) Interpretations. Any dispute, disagreement or question that arises under, or as a result of, or in any way relates to the interpretation, construction or application of the terms of this Agreement or the Plan will be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

(j) Successors and Assigns. The Company may assign any of its rights under this Agreement. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

(k) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or his or her acquisition or sale of the Underlying Shares. The Optionee understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

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APPENDIX A
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
PROVISIONS APPLICABLE TO NON-U.S. COUNTRIES

This Appendix A includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in a country outside the United States of America (or later relocates to such a country). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan and/or the Agreement to which this Appendix A is attached.

- I. Nature of Grant. In accepting the grant of the Option, the Optionee acknowledges, understands and agrees that:
 - a. the Plan is established voluntarily by the Company;
 - b. the grant of the Option is voluntary and occasional;
 - c. all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;
 - d. the Optionee is voluntarily participating in the Plan;
 - e. the Option and the Underlying Shares, and the income from and value of same, are not intended to replace any pension rights or compensation;
 - f. unless otherwise expressly agreed in a writing by the Optionee with the Company, the Option and the Underlying Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of an Affiliate or Subsidiary;
 - g. the future value of the Underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;
 - h. if the Underlying Shares do not increase in value, the Option will have no value;
 - i. if the Optionee exercises the Option and obtains the Underlying Shares, the value of the Underlying Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;
 - j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Optionee's engagement as provided for in the Plan or in the Agreement;

k. for purposes of the Option, and unless otherwise expressly provided in the Plan, the Agreement, any employment or service agreement or otherwise determined by the Company, the Optionee's engagement will be considered terminated as of the date he or she is no longer actively providing services to the Global Eagle Companies (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment or service laws in the jurisdiction where he or she is employed or providing services or the terms of his or her service or employment agreement, if any), and unless otherwise expressly provided in the Plan, the Agreement or determined by the Company, the Optionee's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or service laws in the jurisdiction where he or she is employed or providing services or the terms of his or her employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Optionee is no longer actively providing services for purposes of the Option (including whether the Optionee may still be considered to be providing services while on a leave of absence);

l. unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by the Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

m. neither the Company nor the Global Eagle Companies shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of the Underlying Shares acquired upon exercise.

II. Withholding Taxes. The following provisions supplement Sections 4(b) and 9 of the Agreement:

The Optionee acknowledges that, regardless of any action taken by any Global Eagle Companies, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to his or her participation in the Plan and legally applicable to him or her ("**Tax-Related Items**") is and remains the Optionee's responsibility and may exceed the amount actually withheld by the applicable Global Eagle Company. The Optionee further acknowledges that no Global Eagle Company (a) has made any representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the applicable Global Eagle Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

If applicable, prior to any applicable Withholding Tax event, the Optionee authorizes the applicable Global Eagle Company, or their respective agents, at their discretion, to satisfy the withholding obligations with regard to all Tax-Related Items through any of the means set forth in

Sections 4(b) or 9 of this Agreement or by (i) withholding from proceeds of the sale of the Underlying Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization) without further consent, (ii) requiring the Optionee to pay cash or (iii) withholding from the Optionee's salary or other cash compensation, if applicable.

Depending on the withholding method, if applicable, the Company may withhold for Tax-Related Items by considering applicable maximum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates to the extent permitted by the Plan, in which case the Optionee will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, if requested by the Company, the Optionee agrees to pay to the applicable Global Eagle Company any amount of Tax-Related Items that the applicable Global Eagle Company may be required to withhold or account for as a result of his or her participation in the Plan that cannot be satisfied by the means previously described.

APPENDIX B
TO
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

COUNTRY-SPECIFIC PROVISIONS

This Appendix B includes additional terms and conditions that govern the Option granted to the Optionee under the Plan if the Optionee resides and/or works in one of the countries listed herein. If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if the Optionee transfers or relocates Optionee's residence to another country after the Grant Date, the Company, in its discretion, will determine the extent to which the terms and conditions herein will be applicable to him or her.

This Appendix B also includes information regarding securities and other laws of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on laws in effect in the respective countries as of July 2018. Such laws are often complex and change frequently. As a result, the Optionee should not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time the Optionee exercises the Option or sells the Underlying Shares acquired under the Plan. In addition, the information noted herein is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure him or her of any particular result. Accordingly, the Optionee should seek appropriate professional advice as to how the applicable laws may apply to his or her situation. That is the Optionee's responsibility, and not the Company's.

If the Optionee is a citizen or resident of a country other than the one in which he or she currently is working and/or residing (or if he or she is considered as such for local law purposes), or if he or she transfers Optionee's residence to another country after the Grant Date, the information noted herein may not be applicable to the Optionee in the same manner.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan, the Agreement and/or the Appendix A which this Appendix B follows.

ARGENTINA

Securities Law Notice. Shares of the Company are not publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

AUSTRALIA

Deferred Taxation. Subdivision 83A-C of the Income Tax Assessment Act, 1997, applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Securities Law Notice. If the Optionee acquires Shares under the Plan and offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. *The Optionee should consult with his or her own legal advisor before making any such offer in Australia.*

BRAZIL

Compliance with Law and Nature of Grant Acknowledgement. By accepting the Option, the Optionee agrees that he or she will comply with all applicable Brazilian laws, including, without limitation, that he or she will report and pay any and all applicable taxes associated with the exercise of the Option and/or the sale of any Shares obtained as a result of such exercise. The Optionee further agrees that, for all legal purposes, (a) the benefits provided to the Optionee under the Plan are the result of commercial transactions unrelated to the Optionee's service (b) the Plan is not a part of the terms and conditions of the Optionee's service; (c) the income from the award, if any, is not part of the Optionee's remuneration from service; (d) the Optionee is making an investment decision; (e) the Underlying Shares will be issued to the Optionee only if the vesting conditions are met and any necessary services are rendered by the Optionee over the vesting period; and (f) the value of the Underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Optionee.

Tax on Financial Transactions (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Optionee is responsible for complying with any applicable Tax on Financial Transactions arising from the Optionee's participation in the Plan. The Optionee should consult with his or her personal tax advisor for additional details.

CANADA

Exercise Procedure. The following provision supplements Sections 4(b) ("Exercise Procedure") and the "Withholding Taxes" sections of this Agreement:

Due to regulatory considerations in Canada, the Optionee is prohibited from surrendering Underlying Shares that he or she already owns to pay the Exercise Price in connection with this Option.

Securities Law Notice. The Optionee is permitted to sell Shares acquired upon exercise of the Option through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

The following provisions apply if the Optionee is a resident of Québec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements Section 10 of the Agreement:

The Optionee hereby authorizes the Company (including the Global Eagle Companies) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company (including the Global Eagle Companies) and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company (including the Global Eagle Companies) to record such information and to keep such information in the Optionee's employee or director file.

FRANCE

Consent to Receive Information in English. By accepting the Options, the Optionee confirms having read and understood the Plan and the Agreement, including all terms and conditions included therein, which were provided in the English language. The Optionee accepts the terms of these documents accordingly.

En acceptant cette Option, le Titulaire de l'Option confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Option accepte les dispositions de ces documents en connaissance de cause.

Tax Information. The Options are not intended to qualify for special tax or social security treatment in France.

GERMANY

No country-specific provisions.

HONG KONG

Sale Restriction. Shares received at exercise are accepted as a personal investment. In the event that the Option vests, is exercised and the Underlying Shares are issued to the Optionee (or his or her heirs) within six months of the Grant Date, the Optionee (or his or her heirs) agree that the Underlying Shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

Securities Law Notice. *WARNING:* The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Optionee should exercise caution in relation to the offer.

If the Optionee is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Option nor the issuance of the Underlying Shares upon exercise constitutes a public offering of securities under Hong Kong law. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of Optionee and may not be distributed to any other person.

INDIA

Exercise Procedure. The following provision supplements Sections 4(b) (“Exercise Procedure”) and the “Withholding Taxes” sections of this Agreement:

Due to regulatory requirements, the Optionee understands that he or she may not pay the Exercise Price by a sell-to-cover exercise (i.e., whereby some, but not all, of the Underlying Shares will be sold immediately upon exercise and the proceeds from the sale will be remitted to the Company to cover the Exercise Price for the purchased shares and any Tax-Related Items withholding). The Company reserves the right to permit this method of payment depending upon the development of local law.

MALAYSIA

Data Privacy. The following provision supplements Section 10 of the Agreement:

The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data, as described in the Agreement and any other grant materials by and among, as applicable, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing his or her participation in the Plan.

The Optionee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about him or her, including, but not limited to, his or her name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Options or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Company and also by the Optionee through information collected in connection with the Agreement and the Plan.

The Optionee understands that Data will be transferred to the Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Optionee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local People Services representative, whose contact details are Zant Chapelo, zant.chapelo@globaleagle.com. The Optionee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee’s participation in the Plan, including any transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of the Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local People Services representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke the consent, his or her status or service and career with the Company will not be affected; the only consequence of refusing or withdrawing the consent is

Peserta dengan ini secara nyata dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian dan apa-apa bahan geran lain oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan.

Peserta memahami bahawa Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu mungkin memegang maklumat peribadi tertentu tentangnya, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah , alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor pasport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Opsyen atau apa-apa hak lain untuk syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum diperolehi bagi faedahnya (“Data”), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan. Data adalah dibekalkan oleh Majikan dan juga oleh Peserta melalui maklumat yang dikumpul yang berkaitan dengan Perjanjian dan Pelan.

Peserta memahami bahawa Data akan dipindahkan kepada broker Pelan, atau apa-apa pembekal perkhidmatan pelan saham yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negaranya. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya, dimana butir-butir hubungannya adalah Zant Chapelo, zant.chapelo@globaleagle.com Peserta memberi kuasa kepada Syarikat dan mana-mana penerima lain yang mungkin membantu Syarikat (sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data sebagaimana yang diperlukan kepada broker, ejen eskrow atau pihak ketiga yang lain dengan mana Syer yang diterima apabila Opsyen yang dilaksanakan didepositkan. Peserta memahami bahawa Data akan disimpan hanya sepanjang tempoh yang diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaannya dalam Pelan. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, menghendaki mana-mana pindaan yang perlu dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi secara bertulis wakil Sumber Manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberi persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satu-satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat

that the Company may not be able to grant the Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact the local human resources representative.

memberikan Opsyen atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjelaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan persetujuan atau penarikan balik persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber manusia tempatannya.

Director Notification Obligation. If the Optionee is director of a Subsidiary or Affiliate of the Company in Malaysia, the Optionee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify such Malaysian entity in writing when the Optionee receives or disposes of an interest (e.g., Options or Underlying Shares) in the Company or any related company. Such notifications must be made within fourteen days of receiving or disposing of any interest in the Company or any related company.

NETHERLANDS

No country-specific provisions.

NEW ZEALAND

Securities Law Notice. *Warning: This is an offer of rights to receive Shares underlying the Options. Options give the Optionee a stake in the ownership of the Company. The Optionee may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Optionee will be paid only after all creditors and holders of preferred shares have been paid. The Optionee may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Optionee may not be given all the information usually required. The Optionee will also have fewer other legal protections for this investment.

The Optionee should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

*In addition, the Optionee is hereby notified that the documents listed below are available for review on the Company's "Investor Relations" website at <http://investors.geemedia.com/> and/or in the Optionee's online E*Trade (or other broker as the Company may determine from time to time) account, as applicable.*

- (i) *this Agreement which together with the Plan sets forth the terms and conditions of participation in the Plan;*
- (ii) *a copy of the Company's most recent annual report (i.e., Form 10-K);*
- (iii) *a copy of the Company's most recent published financial statements;*
- (iv) *a copy of the Plan; and*

(v) a copy of the Plan Prospectus.

A copy of the above documents will be sent to the Optionee free of charge on written request to the Head of People Services (zant.chapelo@globaleagle.com).

NORWAY

No country-specific provisions.

SINGAPORE

Sale Restriction. The Optionee agrees that any Shares issued to him or her upon exercise of the Option will not be offered for sale or sold in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“**SFA**”) or pursuant to, and in accordance with the conditions of, any applicable provisions of the SFA.

Securities Law Notice. The Option is being granted to the Optionee in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA and is not being made with the view to the Underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Notification Obligation. If the Optionee is the Chief Executive Officer (“CEO”) or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, the Optionee must notify the Singapore Subsidiary or Affiliate in writing of an interest (e.g., the Option or the Underlying Shares) in the Company or any Subsidiary or Affiliate within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of any Shares), or (iii) becoming a chief executive officer, director, associate director or shadow director.

SOUTH AFRICA

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

By accepting the Option, the Optionee agrees that, immediately upon exercise of the Option, the Optionee will notify the Company of the amount of any gain realized. If the Optionee fails to advise the Company of the gain realized upon exercise, the Optionee may be liable for a fine. The Optionee will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Company.

SPAIN

Labor Law Acknowledgment. The following provisions supplement the Nature of Grant section in Appendix A of the Agreement:

By accepting the Option, the Optionee acknowledges that he or she understands and agrees that he or she consents to participation in the Plan and that he or she has received a copy of the Plan.

The Optionee further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant the Option to participants throughout the world. The decision to grant the Option is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Global Eagle Companies on an ongoing basis other than as set forth in this Agreement. Consequently, the Optionee understands that any grant is given on the assumption and condition that it shall not become a part of any employment or service contract (either with the Company or any Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Optionee understands and freely accepts that there is no guarantee that any benefit shall arise from any gratuitous and discretionary grant since the future value of the Underlying Shares is unknown and unpredictable.

Additionally, the Optionee understands that the Option is expressly conditioned on his or her continued and active rendering of service to the Global Eagle Companies such that if his or her service terminates for any reason other than as expressly provided in Section 4 of the Agreement, the Optionee's Option will cease vesting immediately effective as of the date of termination. This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates services due to a change of work location, duties or any other contractual condition; (4) the Optionee terminates services due to the Global Eagle Companies' unilateral breach of contract; or (5) the Optionee's services terminate for any other reason whatsoever, in each case other than as expressly provided in Section 4 of the Agreement. Consequently, upon termination of the Optionee's services for any of the above reasons, he or she will automatically lose any rights to Options granted to him or her that were unvested on the date of termination of his or her services, as described in the Agreement.

Finally, the Optionee understands that this grant would not be made to him or her but for the assumptions and conditions referred to herein; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Option shall be null and void.

Securities Law Notice. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the offer of the Option. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

No country-specific provisions.

SWITZERLAND

Securities Law Notice. The Option is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Option (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved by or supervised by any Swiss regulatory authority (e.g., the Swiss Financial Market Supervisory Authority).

UNITED ARAB EMIRATES

Securities Law Notice. The Options are being offered only to selected Optionees and the offer is in the nature of providing equity incentives to employees in the United Arab Emirates. The Plan and this Agreement are intended for distribution only to such Optionees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Optionee does not understand the contents of the Plan or this Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan, and neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or this Agreement nor taken any steps to verify the information set out therein and have no responsibility for such documents.

UNITED KINGDOM

Tax Acknowledgement. The following provisions supplement the Withholding Taxes sections of this Agreement:

Without limitation to the Withholding Taxes sections of this Agreement, the Optionee agrees to be liable for any Tax-Related Items related to the Optionee's participation in the Plan and legally applicable to the Optionee and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Optionee also agrees to indemnify and keep indemnified the Company and, if different, the applicable Global Eagle Company against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC on the Optionee's behalf (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Optionee is a director or an executive officer (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that the Optionee is a director or executive officer and the income tax is not collected from or paid by him or her by the Optionee within ninety (90) days of the end of the U.K. tax year (April 6 – April 5) in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Optionee on which additional income tax and national insurance contributions ("NICs") may be payable. The Optionee acknowledges that he or she will be responsible for reporting and paying any income

tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit.

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**ATTACHMENT II: Global Eagle Entertainment Inc. Amended and Restated 2017 Omnibus Long-Term
Incentive Plan**

[To Be Provided to the Optionee Separately]

CERTIFICATION

I, Joshua B. Marks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Eagle Entertainment Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 9, 2018

/s/ Joshua B. Marks

Joshua B. Marks
Chief Executive Officer
(principal executive officer)

CERTIFICATION

I, Paul Rainey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Eagle Entertainment Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 9, 2018

/s/ Paul Rainey

Paul Rainey

Chief Financial Officer

(principal financial officer and duly authorized officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

I, Joshua B. Marks, Chief Executive Officer of Global Eagle Entertainment Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2018 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2018

/s/ Joshua B. Marks

Joshua B. Marks
Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

I, Paul Rainey, Chief Financial Officer of Global Eagle Entertainment Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2018 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2018

/s/ Paul Rainey

Paul Rainey
Chief Financial Officer
(principal financial officer and duly authorized officer)