
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

Form 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 14, 2018

ORBITAL TRACKING CORP.

(Exact name of the registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-25097

(Commission
File Number)

65-0783722

(IRS Employer
Identification No.)

18851 N.E. 29th Ave., Suite 700, Aventura, FL 33180

(Address of principle executive offices) (Zip code)

Registrant's telephone number, including area code: (305) 560-5355

(Former name or address if changed since last report)

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

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

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

Emerging growth company

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

SECTION 5 – Corporate Governance and Management

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

2018 Incentive Plan

On June 14, 2018, our Board of Directors approved the Orbital Tracking Corp. 2018 Incentive Plan (the “Plan”). The purpose of the Plan is to provide a means for the Company to continue to attract, motivate and retain management, key employees, consultants and other independent contractors, and to provide these individuals with greater incentive for their service to the Company by linking their interests in the Company’s success with those of the Company and its shareholders. The Plan provides that up to a maximum of 1,000,000 shares of the Company’s common stock (subject to adjustment) are available for issuance under the Plan.

The foregoing description of the Plan is not complete and is qualified in its entirety by reference to the full text of the Plan, a copy of which is filed as Exhibit 10.1 to this Form 8-K and is incorporated by reference herein.

Executive Employment Contracts

Also on June 14, 2018, we entered into new Employment Agreements with our President and CEO, David Phipps, and our CFO, Theresa Carlise. The agreements with both of our executives run for a period of two (2) years, with an automatic one (1) year extension. Mr. Phipps’ base salary is \$170,000 per year, with an additional £48,000 per year to be paid through our operating subsidiary, Global Telestat Communications, Ltd. Ms. Carlise’s base salary is \$150,000 per year. The agreements provide for performance bonuses based on exceeding our annual revenue goals and on our ability to attract new investment. The Employment Agreements also provide for medical plan coverage, an auto allowance, paid vacation, and discretionary stock grants and option awards. In the event of termination without cause, termination as a result of a change in control, or resignation with good reason (as defined in the Agreements), Mr. Phipps and Ms. Carlise will be entitled to a severance equal to twice their base salary, the immediate vesting of all unvested options, and other benefits.

The foregoing description of the Employment Agreements is not complete and is qualified in its entirety by reference to the full text of the Agreements, a copies of which are filed as Exhibits 10.2 and 10.3 to this Form 8-K and are incorporated by reference herein.

Options Issuance

On June 14, 2018, we issued new stock options to our executives and directors under the 2018 Incentive Plan. The options issued to Theresa Carlise and Hector Delgado have an exercise price of \$1.50 per share, and the options issued to David Phipps have an exercise price of \$1.60 per share. All of the options vest in equal quarterly installments over the next two years, and expire on July 1, 2021. The number of options issued to our officers and directors were as follows:

David Phipps, President, CEO, and Director	100,000
Theresa Carlise, CFO	50,000
Hector Delgado, Director	25,000

In addition, we issued options to purchase a total of 100,000 shares to two key employees. These options have an exercise price of \$1.50 per share and the same terms as those awarded to our officers and directors.

SECTION 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
10.1	2018 Incentive Plan
10.2	Employment Agreement with David Phipps
10.3	Employment Agreement with Theresa Carlise

SIGNATURES

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

ORBITAL TRACKING CORP.

Date: June 15, 2018

By: /s/ David Phipps

David Phipps

Orbital Tracking Corp.
(the “Company”)

2018 INCENTIVE PLAN

SECTION 1. PURPOSE

The purpose of the Orbital Tracking Corp. 2018 Incentive Plan (the “Plan”) is to attract, retain and motivate employees, officers, directors, consultants, agents, advisors and independent contractors of the Company and its Related Companies by providing them the opportunity to acquire a proprietary interest in the Company and to align their interests and efforts to the long-term interests of the Company’s stockholders.

SECTION 2. DEFINITIONS

Certain capitalized terms used in the Plan have the meanings set forth in Appendix A.

SECTION 3. ADMINISTRATION

3.1 Administration of the Plan

The Plan shall be administered by the Board or its Compensation Committee. The Compensation Committee shall be composed of two or more directors, each of whom is a “non-employee director” within the meaning of Rule 16b-3(b)(3) promulgated under the Exchange Act, or any successor definition adopted by the Securities and Exchange Commission. As used in this Plan, the term “Compensation Committee” shall be construed as if followed by the words “(if any)”; nothing in this Plan requires the Board to have a Compensation Committee.

3.2 Delegation

Notwithstanding the foregoing, the Board may delegate responsibility for administering the Plan with respect to designated classes of Eligible Persons to different committees consisting of one or more members of the Board, subject to such limitations as the Board deems appropriate, except with respect to Awards to any Participants who are then subject to Section 16 of the Exchange Act. Members of any committee shall serve for such term as the Board may determine, subject to removal by the Board at any time. To the extent consistent with applicable law, the Board or the Compensation Committee may authorize one or more officers of the Company to grant Awards to designated classes of Eligible Persons, within limits specifically prescribed by the Board or the Compensation Committee; provided, however, that no such officer shall have or obtain authority to grant Awards to himself or herself or to any person then subject to Section 16 of the Exchange Act. All references in the Plan to the “Committee” shall be, as applicable, to the Board, the Compensation Committee or any other committee or any officer to whom the Board or the Compensation Committee has delegated authority to administer the Plan.

3.3 Administration and Interpretation by Committee

(a) Except for the terms and conditions explicitly set forth in the Plan and to the extent permitted by applicable law, the Committee shall have full power and exclusive authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to

- (i) select the Eligible Persons to whom Awards may from time to time be granted under the Plan;
- (ii) determine the type or types of Awards to be granted to each Participant under the Plan;
- (iii) determine the number of shares of Common Stock, if any, to be covered by each Award granted under the Plan;
- (iv) determine the terms and conditions of any Award granted under the Plan;
- (v) approve the forms of notice or agreement for use under the Plan;
- (vi) determine whether, to what extent and under what circumstances Awards may be settled in cash, shares of Common Stock or other property or canceled or suspended;
- (vii) determine whether, to what extent and under what circumstances cash, shares of Common Stock, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant;
- (viii) interpret and administer the Plan and any instrument evidencing an Award, notice or agreement executed or entered into under the Plan;
- (ix) establish such rules and regulations as it shall deem appropriate for the proper administration of the Plan;
- (x) delegate ministerial duties to such of the Company's employees as it so determines; and
- (xi) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

(b) The Committee shall have the right, without stockholder approval, to cancel or amend outstanding Options or SARs for the purpose of repricing, replacing or regranting such Options or SARs with Options or SARs that have a purchase or grant price that is less than the purchase or grant price for the original Options or SARs except in connection with adjustments provided in Section 15.

(c) The effect on the vesting of an Award of a Company-approved leave of absence or a Participant's working less than full-time shall be determined by the Company's chief human resources officer or other person performing that function or, with respect to directors or executive officers, by the Committee, whose determination shall be final.

(d) Decisions of the Committee shall be final, conclusive and binding on all persons, including the Company, any Participant, any stockholder and any Eligible Person. A majority of the members of the Committee may determine its actions.

SECTION 4. SHARES SUBJECT TO THE PLAN

4.1 Authorized Number of Shares

Subject to adjustment from time to time as provided in subsection 15.1, a maximum of 1,000,000 shares of Common Stock shall be available for issuance under the Plan. Shares issued under the Plan shall be drawn from authorized and unissued shares or shares now held or subsequently acquired by the Company as treasury shares.

4.2 Share Usage

(a) Shares of Common Stock covered by an Award shall not be counted as used unless and until they are actually issued and delivered to a Participant. If any Award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock are issued under the Plan to a Participant and thereafter are forfeited to or otherwise reacquired by the Company, the shares subject to such Awards and the forfeited or reacquired shares shall again be available for issuance under the Plan. Any shares of Common Stock:

(i) tendered by a Participant or retained by the Company as full or partial payment to the Company for the purchase price of an Award or to satisfy tax withholding obligations in connection with an Award, or

(ii) covered by an Award that is settled in cash, or in a manner such that some or all of the shares of Common Stock covered by the Award are not issued,

shall be available for Awards under the Plan. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional shares of Common Stock subject or paid with respect to an Award.

(b) The Committee shall also, without limitation, have the authority to grant Awards as an alternative to or as the form of payment for grants or rights earned or due under other compensation plans or arrangements of the Company.

(c) Notwithstanding anything in the Plan to the contrary, the Committee may grant Substitute Awards under the Plan. Substitute Awards shall not reduce the number of shares authorized for issuance under the Plan. In the event that an Acquired Entity has shares available for awards or grants under one or more preexisting plans not adopted in contemplation of such acquisition or combination, then, to the extent determined by the Committee, the shares available for grant pursuant to the terms of such preexisting plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination) may be used for Awards under the Plan and shall not reduce the number of shares of Common Stock authorized for issuance under the Plan; provided, however, that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of such preexisting plans, absent the acquisition or combination, and shall only be made to individuals who were not employees or directors of the Company or a Related Company prior to such acquisition or combination. In the event that a written agreement between the Company and an Acquired Entity pursuant to which a merger or consolidation is completed is approved by the Board and that agreement sets forth the terms and conditions of the substitution for or assumption of outstanding awards of the Acquired Entity, those terms and conditions shall be deemed to be the action of the Committee without any further action by the Committee, except as may be required for compliance with Rule 16b-3 under the Exchange Act, and the persons holding such awards shall be deemed to be Participants.

(d) Notwithstanding the other provisions in this subsection, the maximum number of shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate share number stated in subsection 4.1, subject to adjustment as provided in subsection 15.1.

SECTION 5. ELIGIBILITY

An Award may be granted to any employee, officer or director of the Company or a Related Company whom the Committee from time to time selects. An Award may also be granted to any consultant, agent, advisor or independent contractor for bona fide services rendered to the Company or any Related Company that:

- (a) are not in connection with the offer and sale of the Company's securities in a capital-raising transaction, and
- (b) do not directly or indirectly promote or maintain a market for the Company's securities.

SECTION 6. AWARDS

6.1 Form, Grant and Settlement of Awards

The Committee shall have the authority, in its sole discretion, to determine the type or types of Awards to be granted under the Plan. Such Awards may be granted either alone or in addition to or in tandem with any other type of Award. Any Award settlement may be subject to such conditions, restrictions and contingencies as the Committee shall determine.

6.2 Evidence of Awards

Awards granted under the Plan shall be evidenced by a written, including an electronic, notice or agreement that shall contain such terms, conditions, limitations and restrictions as the Committee shall deem advisable and that are not inconsistent with the Plan.

6.3 Deferrals

The Committee may permit or require a Participant to defer receipt of the payment of any Award if and to the extent set forth in the instrument evidencing the Award at the time of grant. If any such deferral election is permitted or required, the Committee, in its sole discretion, shall establish rules and procedures for such payment deferrals, which may include the grant of additional Awards or provisions for the payment or crediting of interest or dividend equivalents, including converting such credits to deferred stock unit equivalents; provided, however, that the terms of any deferrals under this subsection shall comply with all applicable law, rules and regulations, including, without limitation, Section 409A of the Code.

6.4 Dividends and Distributions

Participants may, if and to the extent the Committee so determines and sets forth in the instrument evidencing the Award at the time of grant, be credited with dividends paid with respect to shares of Common Stock underlying an Award in a manner determined by the Committee in its sole discretion. The Committee may apply any restrictions to the dividends or dividend equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including cash, shares of Common Stock, Restricted Stock or Stock Units.

SECTION 7. OPTIONS

7.1 Grant of Options

The Committee may grant Options designated as Incentive Stock Options or Nonqualified Stock Options.

7.2 Option Exercise Price

The exercise price for shares purchased under an Option shall be at least 100% of the Fair Market Value on the Grant Date (and shall not be less than the minimum exercise price required by Section 422 of the Code with respect to Incentive Stock Options), except in the case of Substitute Awards.

7.3 Term of Options

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of a Nonqualified Stock Option shall be ten years from the Grant Date.

7.4 Exercise of Options

The Committee shall establish and set forth in each instrument that evidences an Option the time at which, or the installments in which, the Option shall vest and become exercisable, any of which provisions may be waived or modified by the Committee at any time.

To the extent an Option has vested and become exercisable, the Option may be exercised in whole or from time to time in part by delivery to or as directed or approved by the Company of a properly executed stock option exercise agreement or notice, in a form and in accordance with procedures established by the Committee, setting forth the number of shares with respect to which the Option is being exercised, the restrictions imposed on the shares purchased under such exercise agreement, if any, and such representations and agreements as may be required by the Committee, accompanied by payment in full as described in subsection 7.5 and Section 13. An Option may be exercised only for whole shares and may not be exercised for less than a reasonable number of shares at any one time, as determined by the Committee.

7.5 Payment of Exercise Price

The exercise price for shares purchased under an Option shall be paid in full to the Company by delivery of consideration equal to the product of the Option exercise price and the number of shares purchased. Such consideration must be paid before the Company will issue the shares being purchased and must be in a form or a combination of forms acceptable to the Committee for that purchase, which forms may include:

(a) cash;

(b) check or wire transfer;

(c) having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;

(d) tendering (either actually or, so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) shares of Common Stock owned by the Participant that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;

(e) so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, delivery of a properly executed exercise notice, together with irrevocable instructions to a brokerage firm designated or approved by the Company to deliver promptly to the Company the aggregate amount of proceeds to pay the Option exercise price and any withholding tax obligations that may arise in connection with the exercise, all in accordance with the regulations of the Federal Reserve Board; or

(f) such other consideration as the Committee may permit.

7.6 Effect of Termination of Service

The Committee shall establish and set forth in each instrument that evidences an Option whether the Option shall continue to be exercisable, and the terms and conditions of such exercise, after a Termination of Service, any of which provisions may be waived or modified by the Committee at any time. Except as otherwise established in the instrument evidencing the Option or in any other written agreement with the Participant, the Option shall be exercisable according to the following terms and conditions, which may be waived or modified by the Committee at any time:

(a) Any portion of an Option that is not vested and exercisable on the date of a Participant's Termination of Service shall expire on such date.

(b) Any portion of an Option that is vested and exercisable on the date of a Participant's Termination of Service shall expire on the earliest to occur of:

(i) if the Participant's Termination of Service occurs for reasons other than Cause, Retirement, Disability or death, the date that is three months after such Termination of Service;

(ii) if the Participant's Termination of Service occurs by reason of Retirement, Disability or death, the one-year anniversary of such Termination of Service; and

(iii) the Option Expiration Date.

Notwithstanding the foregoing, if a Participant dies after his or her Termination of Service but while an Option is otherwise exercisable, the portion of the Option that is vested and exercisable on the date of such Termination of Service shall expire upon the earlier to occur of (y) the Option Expiration Date and (z) the one-year anniversary of the date of death, unless the Committee determines otherwise. Also notwithstanding the foregoing, in case a Participant's Termination of Service occurs for Cause, all Options granted to the Participant shall automatically expire upon first notification to the Participant of such termination, unless the Committee determines otherwise. If a Participant's employment or service relationship with the Company is suspended pending an investigation of whether the Participant shall be terminated for Cause, all the Participant's rights under any Option shall likewise be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after a Participant's Termination of Service, any Option then held by the Participant may be immediately terminated by the Committee, in its sole discretion.

(c) If the exercise of the Option following a Participant's Termination of Service, but while the Option is otherwise exercisable, would be prohibited solely because the issuance of Common Stock would violate either the registration requirements under the Securities Act or the Company's insider trading policy, then the Option shall remain exercisable until the earlier of (i) the Option Expiration Date and (ii) the expiration of a period of three months (or such longer period of time as determined by the Committee in its sole discretion) after the Participant's Termination of Service during which the exercise of the Option would not be in violation of such Securities Act or insider trading policy requirements.

SECTION 8. INCENTIVE STOCK OPTION LIMITATIONS

Notwithstanding any other provisions of the Plan, the terms and conditions of any Incentive Stock Options shall also comply in all respects with Section 422 of the Code, or any successor provision, and any applicable regulations thereunder, including, to the extent required thereunder, the following:

8.1 Dollar Limitation

To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Stock with respect to which a Participant's Incentive Stock Options become exercisable for the first time during any calendar year (under the Plan and all other stock option plans of the Company and its parent and subsidiary corporations) exceeds \$100,000, such portion in excess of \$100,000 shall be treated as a Nonqualified Stock Option. In the event the Participant holds two or more such Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.

8.2 Eligible Employees.

Individuals who are not employees of the Company or one of its parent or subsidiary corporations may not be granted Incentive Stock Options.

8.3 Exercise Price

The exercise price of an Incentive Stock Option shall be at least 100% of the Fair Market Value of the Common Stock on the Grant Date, and in the case of an Incentive Stock Option granted to a Participant who owns more than 10% of the total combined voting power of all classes of the stock of the Company or of its parent or subsidiary corporations (a "Ten Percent Stockholder"), shall not be less than 110% of the Fair Market Value of the Common Stock on the Grant Date. The determination of more than 10% ownership shall be made in accordance with Section 422 of the Code.

8.4 Option Term

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Incentive Stock Option shall not exceed ten years, and in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, shall not exceed five years.

8.5 Exercisability

An Option designated as an Incentive Stock Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after the date of a Participant's Termination of Service if termination was for reasons other than death or disability, (b) more than one year after the date of a Participant's Termination of Service if termination was by reason of disability, or (c) after the Participant has been on leave of absence for more than 90 days, unless the Participant's reemployment rights are guaranteed by statute or contract.

8.6 Taxation of Incentive Stock Options

In order to obtain certain tax benefits afforded to Incentive Stock Options under Section 422 of the Code, the Participant must hold the shares acquired upon the exercise of an Incentive Stock Option for two years after the Grant Date and one year after the date of exercise.

A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant shall give the Company prompt notice of any disposition of shares acquired on the exercise of an Incentive Stock Option prior to the expiration of such holding periods.

8.7 Code Definitions

For the purposes of this Section, "disability" "parent corporation" and "subsidiary corporation" shall have the meanings attributed to those terms for purposes of Section 422 of the Code.

SECTION 9. STOCK APPRECIATION RIGHTS

9.1 Grant of Stock Appreciation Rights

The Committee may grant Stock Appreciation Rights to Participants at any time on such terms and conditions as the Committee shall determine in its sole discretion. An SAR may be granted in tandem with an Option or alone ("freestanding"). The grant price of a tandem SAR shall be equal to the exercise price of the related Option. The grant price of a freestanding SAR shall be established in accordance with procedures for Options set forth in subsection 7.2. An SAR may be exercised upon such terms and conditions and for the term as the Committee determines in its sole discretion; provided, however, that, subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the SAR, the maximum term of a freestanding SAR shall be ten years, and in the case of a tandem SAR, (a) the term shall not exceed the term of the related Option and (b) the tandem SAR may be exercised for all or part of the shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, except that the tandem SAR may be exercised only with respect to the shares for which its related Option is then exercisable.

9.2 Payment of SAR Amount

Upon the exercise of an SAR, a Participant shall be entitled to receive payment in an amount determined by multiplying:

- (a) the difference between the Fair Market Value of the Common Stock on the date of exercise over the grant price of the SAR by
- (b) the number of shares with respect to which the SAR is exercised.

At the discretion of the Committee as set forth in the instrument evidencing the Award, the payment upon exercise of an SAR may be in cash, in shares, in some combination thereof or in any other manner approved by the Committee in its sole discretion.

9.3 Waiver of Restrictions

Subject to subsection 18.5, the Committee, in its sole discretion, may waive any other terms, conditions or restrictions on any SAR under such circumstances and subject to such terms and conditions as the Committee shall deem appropriate.

SECTION 10. STOCK AWARDS, RESTRICTED STOCK AND STOCK UNITS

10.1 Grant of Stock Awards, Restricted Stock and Stock Units

The Committee may grant Stock Awards, Restricted Stock and Stock Units on such terms and conditions and subject to such repurchase or forfeiture restrictions, if any, which may be based on continuous service with the Company or a Related Company or the achievement of any performance goals, as the Committee shall determine in its sole discretion, which terms, conditions and restrictions shall be set forth in the instrument evidencing the Award.

10.2 Vesting of Restricted Stock and Stock Units

Upon the satisfaction of any terms, conditions and restrictions prescribed with respect to Restricted Stock or Stock Units, or upon a Participant's release from any terms, conditions and restrictions of Restricted Stock or Stock Units, as determined by the Committee, and subject to the provisions of Section 13:

- (a) the shares of Restricted Stock covered by each Award of Restricted Stock shall become freely transferable by the Participant, and
- (b) Stock Units shall be paid in shares of Common Stock or, if set forth in the instrument evidencing the Awards, in cash or a combination of cash and shares of Common Stock.

Any fractional shares subject to such Awards shall be paid to the Participant in cash.

10.3 Waiver of Restrictions

Subject to subsection 18.5, the Committee, in its sole discretion, may waive the repurchase or forfeiture period and any other terms, conditions or restrictions on any Restricted Stock or Stock Unit under such circumstances and subject to such terms and conditions as the Committee shall deem appropriate.

SECTION 11. PERFORMANCE AWARDS

11.1 Performance Shares

The Committee may grant Awards of Performance Shares, designate the Participants to whom Performance Shares are to be awarded and determine the number of Performance Shares and the terms and conditions of each such Award. Performance Shares shall consist of a unit valued by reference to a designated number of shares of Common Stock, the value of which may be paid to the Participant by delivery of shares of Common Stock or, if set forth in the instrument evidencing the Award, of such property as the Committee shall determine, including, without limitation, cash, shares of Common Stock, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee. Subject to subsection 18.5, the amount to be paid under an Award of Performance Shares may be adjusted on the basis of such further consideration as the Committee shall determine in its sole discretion.

11.2 Performance Units

The Committee may grant Awards of Performance Units, designate the Participants to whom Performance Units are to be awarded and determine the number of Performance Units and the terms and conditions of each such Award. Performance Units shall consist of a unit valued by reference to a designated amount of property other than shares of Common Stock, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, shares of Common Stock, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee. Subject to subsection 18.5, the amount to be paid under an Award of Performance Units may be adjusted on the basis of such further consideration as the Committee shall determine in its sole discretion.

SECTION 12. OTHER STOCK OR CASH-BASED AWARDS

Subject to the terms of the Plan and such other terms and conditions as the Committee deems appropriate, the Committee may grant other incentives payable in cash or in shares of Common Stock under the Plan.

SECTION 13. WITHHOLDING

The Company may require the Participant to pay to the Company the amount of:

- (a) any taxes that the Company is required by applicable federal, state, local or foreign law to withhold with respect to the grant, vesting or exercise of an Award (“tax withholding obligations”); and
- (b) any amounts due from the Participant to the Company or to any Related Company (“other obligations”).

The Company shall not be required to issue any shares of Common Stock or otherwise settle an Award under the Plan until such tax withholding obligations and other obligations are satisfied. The Committee may permit or require a Participant to satisfy all or part of the Participant’s tax withholding obligations and other obligations by:

- (i) paying cash to the Company,
- (ii) having the Company withhold an amount from any cash amounts otherwise due or to become due from the Company to the Participant,
- (iii) having the Company withhold a number of shares of Common Stock that would otherwise be issued to the Participant (or become vested, in the case of Restricted Stock) having a Fair Market Value equal to the tax withholding obligations and other obligations, or
- (iv) surrendering a number of shares of Common Stock the Participant already owns having a value equal to the tax withholding obligations and other obligations.

The value of the shares so withheld or tendered may not exceed the employer's minimum required tax withholding rate.

SECTION 14. ASSIGNABILITY

No Award or interest in an Award may be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any other purpose) or transferred by a Participant or made subject to attachment or similar proceedings otherwise than by will or by the applicable laws of descent and distribution, except to the extent the Participant designates one or more beneficiaries on a Company-approved form who may exercise the Award or receive payment under the Award after the Participant's death. During a Participant's lifetime, an Award may be exercised only by the Participant. Notwithstanding the foregoing and to the extent permitted by Section 422 of the Code, the Committee, in its sole discretion, may permit a Participant to assign or transfer an Award subject to such terms and conditions as the Committee shall specify.

SECTION 15. ADJUSTMENTS

15.1 Adjustment of Shares

In the event, at any time or from time to time, a stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or other change in the Company's corporate or capital structure results in

- (a) the outstanding shares of Common Stock, or any securities exchanged therefor or received in their place, being exchanged for a different number or kind of securities of the Company or
- (b) new, different or additional securities of the Company or any other company being received by the holders of shares of Common Stock,

then the Committee shall make proportional adjustments in

- (i) the maximum number and kind of securities available for issuance under the Plan;
- (ii) the maximum number and kind of securities issuable as Incentive Stock Options as set forth in subsection 4.2; and

(iii) the number and kind of securities that are subject to any outstanding Award and the per share price of such securities, without any change in the aggregate price to be paid therefor.

The determination by the Committee, as to the terms of any of the foregoing adjustments shall be conclusive and binding. Notwithstanding the foregoing, the issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services rendered, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, outstanding Awards. Also notwithstanding the foregoing, a dissolution or liquidation of the Company or a Company Transaction shall not be governed by this subsection but shall be governed by subsections 15.2 and 15.3, respectively.

15.2 Dissolution or Liquidation

To the extent not previously exercised or settled, and unless otherwise determined by the Committee in its sole discretion, Awards shall terminate immediately prior to the dissolution or liquidation of the Company. To the extent a vesting condition, forfeiture provision or repurchase right applicable to an Award has not been waived by the Committee, the Award shall be forfeited immediately prior to the consummation of the dissolution or liquidation.

15.3 Change in Control

Notwithstanding any other provision of the Plan to the contrary, unless the Committee shall determine otherwise in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, in the event of a Change in Control:

(a) All outstanding Awards, other than Performance Shares and Performance Units, shall become fully and immediately exercisable, and all applicable deferral and restriction limitations or forfeiture provisions shall lapse, immediately prior to the Change in Control and shall terminate at the effective time of the Change in Control; provided, however, that with respect to a Change in Control that is a Company Transaction, such Awards shall become fully and immediately exercisable, and all applicable deferral and restriction limitations or forfeiture provisions shall lapse, only if and to the extent such Awards are not converted, assumed or replaced by the Successor Company. For the purposes of this paragraph, an Award shall be considered converted, assumed or replaced by the Successor Company if following the Company Transaction the option or right confers the right to purchase or receive, for each share of Common Stock subject to the Award immediately prior to the Company Transaction, the consideration (whether stock, cash or other securities or property) received in the Company Transaction by holders of Common Stock for each share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the Company Transaction is not solely common stock of the Successor Company, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of the Option, for each share of Common Stock subject thereto, to be solely common stock of the Successor Company substantially equal in fair market value to the per share consideration received by holders of Common Stock in the Company Transaction. The determination of such substantial equality of value of consideration shall be made by the Committee, and its determination shall be conclusive and binding.

(b) All Performance Shares or Performance Units earned and outstanding as of the date the Change in Control is determined to have occurred shall be payable in full at the target level in accordance with the payout schedule pursuant to the instrument evidencing the Award. Any remaining Performance Shares or Performance Units (including any applicable performance period) for which the payout level has not been determined shall be prorated at the target payout level up to and including the date of such Change in Control and shall be payable in full at the target level in accordance with the payout schedule pursuant to the instrument evidencing the Award. Any existing deferrals or other restrictions not waived by the Committee in its sole discretion shall remain in effect.

(c) Notwithstanding paragraphs 15.3(a) and 15.3(b), the Committee, in its sole discretion, may (unless otherwise provided in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company) instead provide in the event of a Change in Control that is a Company Transaction

(i) for adjustments to the Plan and outstanding Awards as contemplated by subsection 15.1 or

(ii) that a Participant's outstanding Awards shall terminate upon or immediately prior to such Company Transaction and that such Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (x) the value of the per share consideration received by holders of Common Stock in the Company Transaction, or, if the Company Transaction is a sale of assets or otherwise does not result in direct receipt of consideration by holders of Common Stock, the value of the deemed per share consideration received, in each case as determined by the Committee in its sole discretion, multiplied by the number of shares of Common Stock subject to such outstanding Awards (to the extent then vested and exercisable or whether or not then vested and exercisable, as determined by the Committee in its sole discretion) exceeds (y) if applicable, the respective aggregate exercise price or grant price for such Awards.

15.4 Further Adjustment of Awards

Subject to subsections 15.2 and 15.3, the Committee shall have the discretion, exercisable at any time before a sale, merger, consolidation, reorganization, liquidation, dissolution or change in control of the Company, as defined by the Committee, to take such further action as it determines to be necessary or advisable with respect to Awards. Such authorized action may include (but shall not be limited to) establishing, amending or waiving the type, terms, conditions or duration of, or restrictions on, Awards so as to provide for earlier, later, extended or additional time for exercise, lifting restrictions and other modifications, and the Committee may take such actions with respect to all Participants, to certain categories of Participants or only to individual Participants. The Committee may take such action before or after granting Awards to which the action relates and before or after any public announcement with respect to such sale, merger, consolidation, reorganization, liquidation, dissolution or change in control that is the reason for such action.

15.5 No Limitations

The grant of Awards shall in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

15.6 Fractional Shares

In the event of any adjustment in the number of shares covered by any Award, each such Award shall cover only the number of full shares resulting from such adjustment.

15.7 Section 409A of the Code

Notwithstanding anything in this Plan to the contrary,

(a) any adjustments made pursuant to this Section 15 or any other amendments to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code and

(b) any adjustments made pursuant to this Section 15 or any other amendments to Awards that are not considered "deferred compensation" subject to Section 409A of the Code

shall be made in such a manner as to ensure that after such adjustment or amendment the Awards either

(i) continue not to be subject to Section 409A of the Code or

(ii) comply with the requirements of Section 409A of the Code.

SECTION 16. MARKET STANDOFF

In the event of an underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, no person may sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to any shares issued pursuant to an Award granted under the Plan without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed

(a) 180 days after the effective date of the registration statement for such public offering or

(b) such longer period requested by the underwriter as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, NYSE Rule 472, Nasdaq Rule 2210, or FINRA Conduct Rule 2241).

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to any shares issued as or pursuant to an Award under the Plan shall be immediately subject to the provisions of this Section 16, to the same extent such shares are at such time covered by such provisions. In order to enforce the limitations of this Section 16, the Company may impose stop-transfer instructions with respect to the purchased shares until the end of the applicable standoff period.

SECTION 17. AMENDMENT AND TERMINATION

17.1 Amendment, Suspension or Termination

The Board or the Compensation Committee may amend, suspend or terminate the Plan or any portion of the Plan at any time and in such respects as it shall deem advisable; provided, however, that, to the extent required by applicable law, regulation or stock exchange rule, stockholder approval shall be required for any amendment to the Plan; and provided, further, that any amendment that requires stockholder approval may be made only by the Board and not by the Compensation Committee. Subject to subsection 17.3, the Committee may amend the terms of any outstanding Award, prospectively or retroactively.

17.2 Term of the Plan

Unless sooner terminated as provided herein, the Plan shall terminate 10 years from the Effective Date. After the Plan is terminated, no future Awards may be granted, but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than 10 years after the later of:

(a) the adoption of the Plan by the Board and

(b) the adoption by the Board of any amendment to the Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code.

17.3 Consent of Participant

The amendment, suspension or termination of the Plan or a portion thereof or the amendment of an outstanding Award shall not, without the Participant's consent, materially adversely affect any rights under any Award theretofore granted to a Participant under the Plan. Any change or adjustment to an outstanding Incentive Stock Option shall not, without the consent of the Participant, be made in a manner so as to constitute a "modification" that would cause such Incentive Stock Option to fail to continue to qualify as an Incentive Stock Option. Notwithstanding the foregoing, any adjustments made pursuant to Section 15 shall not be subject to these restrictions.

SECTION 18. GENERAL

18.1 No Individual Rights

No individual or Eligible Person shall have any claim to be granted any Award under the Plan, and the Company has no obligation for uniformity of treatment of Eligible Persons or Participants under the Plan. Furthermore, nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment contract or confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate a Participant's employment or other relationship at any time, with or without cause.

18.2 Issuance of Shares

Notwithstanding any other provision of the Plan, the Company shall have no obligation to issue or deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless, in the opinion of the Company's counsel, such issuance, delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act or the laws of any state or foreign jurisdiction) and the applicable requirements of any securities exchange or similar entity. The Company shall be under no obligation to any Participant to register for offering or resale or to qualify for exemption under the Securities Act, or to register or qualify under the laws of any state or foreign jurisdiction, any shares of Common Stock, security or interest in a security paid or issued under, or created by, the Plan, or to continue in effect any such registrations or qualifications if made. As a condition to the exercise of an Option or any other receipt of Common Stock pursuant to an Award under the Plan, the Company may require:

(a) the Participant to represent and warrant at the time of any such exercise or receipt that such shares are being purchased or received only for the Participant's own account and without any present intention to sell or distribute such shares and

(b) such other action or agreement by the Participant as may from time to time be necessary to comply with the federal, state and foreign securities laws.

At the option of the Company, a stop-transfer order against any such shares may be placed on the official stock books and records of the Company, and a legend indicating that such shares may not be pledged, sold or otherwise transferred, unless an opinion of counsel (satisfactory to the Company, in its sole discretion) is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on stock certificates to ensure exemption from registration. The Committee may also require the Participant to execute and deliver to the Company a purchase agreement or such other agreement as may be in use by the Company at such time that describes certain terms and conditions applicable to the shares. To the extent the Plan or any instrument evidencing an Award provides for issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

18.3 Indemnification

Each person who is or shall have been a member of the Board, or a committee appointed by the Board, or an officer of the Company to whom authority was delegated in accordance with Section 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such claim, action, suit or proceeding against such person; provided, however, that such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf. This duty to indemnify shall not apply to the extent that:

(a) such loss, cost, liability or expense is a result of such person's own willful misconduct or

(b) such indemnification is expressly prohibited by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or of any power that the Company may have to indemnify or hold harmless.

18.4 No Rights as a Stockholder

Unless otherwise provided by the Committee or in the instrument evidencing the Award or in a written employment, services or other agreement, no Award, other than a Stock Award, shall entitle the Participant to any cash dividend, voting or other right of a stockholder unless and until the date of issuance under the Plan of the shares that are the subject of such Award.

18.5 Compliance with Laws and Regulations

In interpreting and applying the provisions of the Plan, any Option granted as an Incentive Stock Option pursuant to the Plan shall, to the extent permitted by law, be construed as an "incentive stock option" within the meaning of Section 422 of the Code. Any Award granted pursuant to the Plan is intended to comply with the requirements of Section 409A of the Code, including any applicable regulations and guidance issued thereunder, and including transition guidance, to the extent Section 409A of the Code is applicable thereto, and the terms of the Plan and any Award granted under the Plan shall be interpreted, operated and administered in a manner consistent with this intention to the extent the Committee deems necessary or advisable to comply with Section 409A of the Code and any official guidance issued thereunder. Any payment or distribution that is to be made under the Plan (or pursuant to an Award under the Plan) to a Participant who is a "specified employee" of the Company within the meaning of that term under Section 409A of the Code and as determined by the Committee, on account of a "separation from service" within the meaning of that term under Section 409A of the Code, may not be made before the date which is six months after the date of such "separation from service" unless the payment or distribution is exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. Notwithstanding any other provision in the Plan, the Committee, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan and any Award granted under the Plan so that the Award qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Committee makes no representations that Awards granted under the Plan shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to Awards granted under the Plan.

18.6 Participants in Other Countries or Jurisdictions

Without amending the Plan, the Committee may grant Awards to Eligible Persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Related Company may operate or have employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit the Plan to operate in a qualified or tax-efficient manner, comply with applicable foreign laws or regulations and meet the objectives of the Plan.

18.7 No Trust or Fund

The Plan is intended to constitute an “unfunded” plan. Nothing contained herein shall require the Company to segregate any monies or other property, or shares of Common Stock, or to create any trusts, or to make any special deposits for any immediate or deferred amounts payable to any Participant, and no Participant shall have any rights that are greater than those of a general unsecured creditor of the Company.

18.8 Successors

All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all the business and/or assets of the Company.

18.9 Severability

If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Committee’s determination, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

18.10 Choice of Law and Venue

The Plan, all Awards granted thereunder and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Nevada without giving effect to principles of conflicts of law. Participants irrevocably consent to the nonexclusive jurisdiction and venue of the state and federal courts located in the State of Nevada.

18.11 Legal Requirements

The granting of Awards and the issuance of shares of Common Stock under the Plan are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

SECTION 19. EFFECTIVE DATE

The effective date (the “Effective Date”) is the date on which the Plan is adopted by the Board. If the stockholders of the Company do not approve the Plan within 12 months after the Board’s adoption of the Plan, any Incentive Stock Options granted under the Plan will be treated as Nonqualified Stock Options.

APPENDIX A

DEFINITIONS

“Acquired Entity” means any entity acquired by the Company or a Related Company or with which the Company or a Related Company merges or combines.

“Award” means any Option, Stock Appreciation Right, Stock Award, Restricted Stock, Stock Unit, Performance Share, Performance Unit, or other incentive payable in shares of Common Stock as may be designated by the Committee from time to time.

“Board” means the Board of Directors of the Company.

“Cause” means, unless otherwise defined in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, dishonesty, fraud, serious or willful misconduct, unauthorized use or disclosure of confidential information or trade secrets, or conduct prohibited by law (except minor violations), in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding.

“Change in Control” means, unless the Committee determines otherwise with respect to an Award at the time the Award is granted or unless otherwise defined for purposes of an Award in a written employment, services or other agreement between the Participant and the Company or a Related Company, the occurrence of any of the following events:

(a) An acquisition by any individual, entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than fifty percent (50%) of either:

(i) the then outstanding shares of Common Stock of the Company (the “Outstanding Common Stock”) or

(ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Voting Securities”);

excluding, however, the following:

(iii) any acquisition directly from the Company, other than an acquisition by virtue of the exercise, exchange or conversion of any Convertible Securities unless such securities were themselves acquired directly from the Company,

(iv) any acquisition by the Company;

(v) any acquisition by any Person pursuant to a transaction which complies with clauses (b)(i), (b)(ii) and (b)(iii) of the definition of Company Transaction; or

(b) Within any period of 24 consecutive months, a change in the composition of the Board such that the individuals who, immediately prior to such period, constituted the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, for purposes hereof, that any individual who becomes a member of the Board during such period, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) A Company Transaction; or

(d) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company, other than to an entity pursuant to a transaction which would comply with clauses (1), (2) and (3) of the definition of “Company Transaction”, assuming for this purpose that such transaction were a Company Transaction.

For purposes of the definition of “Change of Control” and “Company Transaction”, a series of transactions undertaken with a common purpose shall be treated as a single transaction that begins at the consummation of the first transaction in the series and ends at the consummation of the last transaction in the series.

“Company Transaction” means the consummation of

(a) a reorganization, merger or consolidation of the Company or

(b) the sale or other disposition of all or substantially all of the assets of the Company and its direct and indirect subsidiaries taken as a whole, except in each case a transaction pursuant to which

(i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such transaction (including, without limitation, an entity 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 transaction, of the Outstanding Common Stock and Outstanding Voting Securities, as the case may be,

(ii) no person (other than the Company) will beneficially own, directly or indirectly, more than twenty-five percent (25%) of, respectively, the outstanding shares of common stock of the Company resulting from such transaction or the combined voting power of the outstanding voting securities of such Company entitled to vote generally in the election of directors, except to the extent that such ownership existed with respect to the Company prior to the transaction, and

(iii) individuals who were members of the Board immediately prior to the approval by the stockholders of the Company of such transaction will constitute at least a majority of the members of the board of directors of the Company resulting from such transaction.

“Convertible Security” means any security convertible into or exchangeable for shares of Common Stock of the Company, or any option, warrant or other right to acquire shares of Common Stock of the Company.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” has the meaning set forth in subsection 3.2.

“Common Stock” means the common stock of the Company.

“Company” means Orbital Tracking Corp., a Nevada corporation

“Compensation Committee” means the Compensation Committee (if any) of the Board.

“Disability” means, unless otherwise defined by the Committee for purposes of the Plan or in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, a mental or physical impairment of the Participant that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Participant to be unable to perform his or her material duties for the Company or a Related Company and to be engaged in any substantial gainful activity, in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding.

“Effective Date” has the meaning set forth in Section 19.

“Eligible Person” means any person eligible to receive an Award as set forth in Section 5.

“Entity” means any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act).

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Fair Market Value” means the closing price for the Common Stock on any given date during regular trading, or if not trading on that date, such price on the last preceding date on which the Common Stock was traded, unless determined otherwise by the Committee using such methods or procedures as it may establish.

“Grant Date” means the later of:

(c) the date on which the Committee completes the corporate action authorizing the grant of an Award or such later date specified by the Committee and

(d) the date on which all conditions precedent to an Award have been satisfied, provided that conditions to the exercisability or vesting of Awards shall not defer the Grant Date.

“Incentive Stock Option” means an Option granted with the intention that it qualify as an “incentive stock option” as that term is defined for purposes of Section 422 of the Code or any successor provision.

“including”, “include”, “includes” and words of similar import shall be construed broadly as if followed by the phrase “without limitation”.

“Nonqualified Stock Option” means an Option other than an Incentive Stock Option.

“Option” means a right to purchase Common Stock granted under Section 7.

“Option Expiration Date” means the last day of the maximum term of an Option.

“Outstanding Company Common Stock” has the meaning set forth in the definition of “Change in Control.”

“Outstanding Company Voting Securities” has the meaning set forth in the definition of “Change in Control.”

“Parent Company” means a company or other entity which as a result of a Company Transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries.

“Participant” means any Eligible Person to whom an Award is granted.

“Performance Award” means an Award of Performance Shares or Performance Units granted under Section 11.

“Performance Share” means an Award of units denominated in shares of Common Stock granted under subsection 11.1.

“Performance Unit” means an Award of units denominated in cash or property other than shares of Common Stock granted under subsection 11.2.

“Plan” means this Orbital Tracking Corp. 2018 Incentive Plan.

“Related Company” means any entity that is directly or indirectly controlled by, in control of or under common control with the Company.

“Restricted Stock” means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are subject to restrictions prescribed by the Committee.

“Retirement” means, unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, retirement as defined for purposes of the Plan by the Committee or the Company’s chief human resources officer or other person performing that function or, if not so defined, means Termination of Service on or after the date the Participant reaches “normal retirement age” as that term is defined in Section 411(a)(8) of the Code.

“Securities Act” means the Securities Act of 1933, as amended from time to time.

“Stock Appreciation Right” or “SAR” means a right granted under subsection 9.1 to receive the excess of the Fair Market Value of a specified number of shares of Common Stock over the grant price.

“Stock Award” means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are not subject to restrictions prescribed by the Committee.

“Stock Unit” means an Award denominated in units of Common Stock granted under Section 10.

“Substitute Awards” means Awards granted or shares of Common Stock issued by the Company in substitution or exchange for awards previously granted by an Acquired Entity.

“Successor Company” means the surviving company, the successor company or Parent Company, as applicable, in connection with a Company Transaction.

“Termination of Service” means a termination of employment or service relationship with the Company or a Related Company for any reason, whether voluntary or involuntary, including by reason of death, Disability or Retirement. Any question as to whether and when there has been a Termination of Service for the purposes of an Award and the cause of such Termination of Service shall be determined by the Company’s chief human resources officer or other person performing that function or, with respect to directors and executive officers, by the Committee, whose determination shall be conclusive and binding. Transfer of a Participant’s employment or service relationship between the Company and any Related Company shall not be considered a Termination of Service for purposes of an Award. Unless the Committee determines otherwise, a Termination of Service shall be deemed to occur if the Participant’s employment or service relationship is with an entity that has ceased to be a Related Company. A Participant’s change in status from an employee of the Company or a Related Company to a consultant, advisor or independent contractor of the Company or a Related Company or a change in status from a consultant, advisor or independent contractor of the Company or a Related Company to an employee of the Company or a Related Company, shall not be considered a Termination of Service.

“Vesting Commencement Date” means the Grant Date or such other date selected by the Committee as the date from which an Award begins to vest.

**PLAN ADOPTION AND AMENDMENTS/ADJUSTMENTS
SUMMARY PAGE**

Date of Board Action	Action	Section/Effect of Amendment	Date of Shareholder Approval
June 14, 2018	Initial Plan Adoption		_____, 201__

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 14th day of June, 2018 and effective as of the 14th day of June, 2018 (the "Effective Date"), by and between Orbital Tracking Corp., a Nevada corporation (the "Company"), and David Phipps (the "Executive").

WITNESSTH:

WHEREAS, Executive desires to be employed by the Company as its President and Chief Executive Officer and the Company wishes to employ Executive in such capacity.

WHEREAS, the Company desires to assure itself of the continued benefit of the Executive's services and experience and the Executive desires to continue in the employ of the Company upon the terms and conditions herein set forth;

WHEREAS, the Executive and the Company desire to terminate the Original Agreement and its subsequent amendments, effective as of the date hereof and for this Agreement to embody the entire agreement and understanding of the parties and supersede the Original Agreement and any and all prior agreements, arrangements and understandings relating to the matters provided for in this Agreement.

1. **Term**: The term of the Executive's employment hereunder, unless sooner terminated as provided herein (the "Initial Term"), shall be for a period of two (2) years from the date hereof. The term of this Agreement shall automatically be extended for additional term of one (1) year each (each a "Renewal Term") unless either party gives prior written notice of non-renewal to the other party no later than three (3) months prior to the expiration of the Initial Term ("Non-Renewal Notice"), or the then current Renewal Term, as the case may be. For purposes of this Agreement, the Initial Term and any Renewal Term are hereinafter collectively referred to as the "Term." Notwithstanding any other provisions this Agreement, the Company shall have an obligation to make any payments to Executive for Base Salary and Bonuses, as defined below and as required by this Agreement.

2. **Services and Exclusivity of Services**: So long as this agreement shall continue in effect, Executive shall develop Executive's full business time energy and ability to the matters related thereto in order to perform duties as assigned by the Board of Directors of the Company (the "Board"), Executive shall use Executive best efforts and abilities to promote the Company's interests and shall perform the services contemplated by this agreement in accordance with the policies established by and under the direction of the Board. Executive agrees to serve without additional remuneration and such executive capacities for one or more direct or indirect affiliates of the Company, as the Board may from time to time request subject to appropriate authorization by the affiliate or affiliates involved and any limitations under applicable law executive agrees to faithfully and diligently promote the business affairs and interest of the Company and its Affiliates.

Without the prior express written authorization of the Board, Executive shall not, directly or indirectly, during the term of this Agreement engage in any activity competitive with, or adverse to the Company's business, whether alone, as a partner, officer, director, employee or significant investor of or in any other entity. (An investment of greater than 5% of the outstanding capital or equity securities of an entity shall be deemed significant these purposes). Executive represents to the Company that Executive has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered hereunder.

3. **Duties and Responsibilities:** Executive shall serve as the President and Chief Executive Officer of the Company, with such duties, responsibilities and authority as are commensurate and consistent with his position, as may be, from time to time, assigned to him by the Board of Directors (the "Board") of the Company. The Executive shall report directly to the Board of Directors of the Company. Executive shall render his services from Poole, England and will not be required to relocate his residence from Poole, England at any time during the Term hereof. Executive agrees to travel as and to the extent reasonably requested by the Company in connection with the performance of his services hereunder, the travel, lodging and other expenses related thereto to be borne by the Company. Notwithstanding the foregoing, the expenditure of reasonable amounts of time by the Executive for the making of passive personal investments, the conduct of private business affairs (including other future directorships other than serving on the Board of Directors of a competing business) and charitable and professional activities shall be allowed, provided such activities do not materially interfere with the services required to be rendered to the Company hereunder and do not violate the confidentiality provisions set forth in Section 7 below. The Company understands and acknowledges, consistent with the foregoing, that Executive currently has other personal passive investment interests in addition to his position hereunder as President and Chief Executive Officer of the Company.

4. Compensation:

Base Compensation: The Company shall pay the Executive as compensation for his services hereunder, in equal monthly installments during the Term, the sum of (i) \$170,000 per annum and (ii) through its wholly owned subsidiary, Global Telestat Communications, Ltd, ("GTCL") the sum of £48,000 per annum, (the "Base Salary"), less such deductions as shall be required to be withheld by applicable law and regulations. The Board of Directors of the Company shall review the Base Salary on an annual basis and has the right but not the obligation to increase, but not decrease, the Base Salary.

Bonuses: Executive shall be eligible for General Bonuses (as defined below) and Performance Bonuses (as defined below) as follows (collectively, "Bonuses")

General Bonuses: Executive shall be eligible for bonuses in accordance with any bonus or other incentive compensation plans adopted by the Board ("General Bonuses").

Performance Bonuses: With respect to each fiscal year in which actual revenues and net income of Orbital Tracking Corp. after taxes (as determined by the Company's public accountants) equal or exceed the actual projected revenue and net income amounts adopted by the Compensation Committee of the Board of the Company (the "Compensation Committee") for earning Bonuses which shall be adopted by the Compensation Committee annually, the Company shall pay the Executive a bonus (the "Performance Bonus"). The Performance Bonus shall be an amount equal to (a) 50% of the base salary on the last day of such fiscal year, plus (b) the product of the base salary in the last day of such fiscal year multiplied by the percentage by which the company's actual net income for such fiscal year exceeded its projected net income fiscal year, if any.

Upon consummation of an equity instrument, resulting in proceeds greater than \$1 million, Executive shall be entitled to a lump sum distribution as compensation of 2.5% of the gross proceeds, during the term of the agreement. The distribution will be paid at closing in either cash or equity, as elected by Executive. Should this coincide with a change in control, it will be in addition to the change in control.

Deferral of Performance Bonuses: Notwithstanding anything else contained herein to the contrary, Executive may elect in writing on forms provided by the Company to receive the entire Performance Bonus in the form of restricted stock if Executive makes such election prior to December 31 of the fiscal year to which the Performance Bonus relates.

Additional Benefits: The Company agrees to provide the following "Additional Benefits" to Executive:

(a) Medical plan coverage for Executive, his spouse and dependents, if any, at the expense of the Company, with such coverage or comparable coverage to continue following termination of employment, other than for cause or without good reason, as each term is defined in this Agreement in Section 5(d) for the remainder of the term; and

(b) All rights and benefits for which executive is otherwise eligible under any pension plan profit-sharing plan, dental, disability, or insurance plan or policy or other plan or benefit that the Company were its Affiliates may provide for Executive (provided Executive is eligible to participate therein) for employees of the Company generally, as from time to time in effect, during the term of this agreement.

(c) Auto allowance for Executive in the amount of \$1,200 per month;

(d) Executive shall be eligible for four (4) weeks paid vacation, during the term of this agreement. Any vacation not taken in one (1) year shall accrue, up to a maximum of six (6) weeks' vacation and shall carry over to the subsequent year.

(e) Executive shall be eligible for such grants of awards under stock option or other equity incentive plans of the Company adopted by the Board and approved by the stockholders of the Company (or any successor or replacement plan adopted by the Board and approved by the stockholders of the Company) (the "Plan") as the Compensation Committee of The Company may from time to time determine (the "Share Awards"). Share Awards shall be subject to the applicable Plan terms and conditions, provided, however, that Share Awards shall be subject to any additional terms and conditions as are provided in this Agreement or in any award certificate(s), which shall supersede any conflicting provisions governing Share Awards provided under the Plan

5. **Termination:** This agreement and all obligations hereunder except the obligations contained in sections 4, 7, 8, and 9 (Additional Benefits, Confidential Information and Noncompetition and Non-Solicitation) which shall survive any termination hereunder shall terminate upon the earliest to occur of any of the following:

(a) **Expiration of Term:** The expiration of the term provided for in section 1 or the voluntary termination by Executive.

(b) Death or Disability of Executive: The death or disability of Executive for the purposes of this Agreement shall mean the Executive has failed to perform his regular and customary duties to the Corporation for a period of 180 days out of any 360-day period and if before the Executive has become "Rehabilitated" (as herein defined) a majority of the members of the Board, exclusive of the Executive, vote to determine that the Executive is mentally or physically incapable or unable to continue to perform such regular and customary duties of employment. As used herein, the term "Rehabilitated" shall mean such time as the Executive is willing, able and commences to devote his time and energies to the affairs of the Corporation to the extent and in the manner that she did so prior to his Total Disability. the absence of Executive performing Executive duties with the Company on a full-time basis for a period If executive shall become disabled, Executive's employment may be terminated by written notice from the Company to Executive.

(c) For Cause or Without Good Reason: The company may terminate Executive's employment and all of Executive rights to receive Base Salary and Bonuses hereunder for Cause upon the resignation of Executive without Good Reason. For purposes of this Agreement, the term "Cause" shall be limited to the willful commission of a felony or other act of moral turpitude, which directly and demonstrably causes material, tangible harm to the Company and Good Reason shall be defined as the (i) demotion of Executive from the position of President and Chief Executive Officer; and (ii) without the consent of Executive any attempt to decrease Executive's base salary or bonuses; (iii) any breach of this agreement by the company or any requirement that executive relocate.

Notwithstanding the foregoing, Executive should not be terminated for cause pursuant to this section 5(c) unless and until executive has received notice of a proposed termination for Cause an Executive has had an opportunity to be heard before at least the majority of the members of the board. Executive shall be deemed to have had such opportunity is given written or telephonic notice at least 72 hours in advance of the meeting. The initial determination that Cause or Good Reason exists shall be made by the Board.

(d) Without Cause or With Good Reason: Notwithstanding any other provision of this Section 5 ("Termination") the Board shall have the right to terminate Executive's appointment with the Company without cause, and Executive shall have the right to resign with Good Reason, at any time. If the company terminates Executive without cause or Executive terminates for Good Reason then the Company shall within 10 days of such termination make an immediate lump sum payment in the amount of (i) two times the applicable base salary net of applicable taxes (ii) present value of the base salary and bonuses, (based on the assumption that the company would achieve all performance targets for 100% bonus), and the Company shall provide the Additional Benefits provided for under Section 4, for the remainder of the term including the full vesting of stock options and any gross up lump-sum distributions due to the tax effect. The present value of the aggregate unpaid Base Salary and Bonuses shall be determined under the then Applicable federal rates under the Internal Revenue Code. Further, if executive is terminated without cause or resigns with good reason, all stock options held by executive shall become fully vested.

(e) Change In Control: Termination of the Executive's appointment with the Company as a result of, or in connection with, a Change in Control shall be treated as a termination Without Cause, entitling the Executive to the compensation and other benefits provided for in Section 5(d), provided however in no event, such compensation as provided for in section 5(d) be less than Executives total compensation during the last year. "Change in Control" shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 50.1% or more of the shares of the outstanding Common Stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Common Stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) if Hector Delgado or another designee of the Executive is removed from the Board of Directors of The Company by The Company's shareholders or The Company's Board of Directors; or during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, 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 (2/3) of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; (iii) provided, however, that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: (A) any acquisitions of Common Stock or securities convertible, exercisable or exchangeable into Common Stock directly from the Company or from any affiliate of the Company, or (B) any acquisition of Common Stock or securities convertible, exercisable or exchangeable into Common Stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

6. **Business Expenses:** During the term of this agreement, the company shall reimburse executive promptly for business expenditures made and substantiated in accordance with policies, practices and procedures established from time to time by the company generally with respect to other employees and incurred in the pursuit and furtherance of the company's business and goodwill. The Company understands that the Executive will maintain his primary residence elsewhere and any reasonable related travel fees incurred on behalf of Executive for business purposes, relating but not limited to corporate housing, hotel accommodations, airfare and car rental will be reimbursed.

7. **Confidential Information:**

(a) The Executive recognizes, acknowledges and agrees that she has had and will continue to have access to secret and confidential information regarding the Corporation, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products-, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. The Executive acknowledges that such information is of great value to the Corporation, is the sole property of the Corporation, and has been and will be acquired by him in confidence. In consideration of the obligations undertaken by the Corporation herein, the Executive will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any information acquired by the Executive during the course of his/her employment, which is treated as confidential by the Corporation, and not otherwise in the public domain. The provisions of this Section 7 shall survive the termination of the Executive's employment hereunder for a period of one (1) year.

(b) The Executive affirms that she does not possess and will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Corporation or its subsidiaries.

(c) In the event that the Executive's employment with the Corporation terminates for any reason, the Executive shall deliver forthwith to the Corporation any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing his compensation or relating to reimbursement of expenses, (iii) information that she reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Corporation.

8. Non-Competition and Non-Solicitation:

(a) The Executive agrees and acknowledges that the Confidential Information that the Executive has already received and will receive is valuable to The Company and the Company and that its protection and maintenance constitutes a legitimate business interest of The Company and the Company, to be protected by the non-competition restrictions set forth herein. The Executive agrees and acknowledges that the non-competition restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on the Executive. The Executive also acknowledges that the Company's and The Company's business is conducted worldwide (the "Territory"), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information of, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers. The provisions of this Section 9 shall survive the termination of the Executive's employment hereunder for the time periods specified below.

(b) The Executive hereby agrees and covenants that he shall not without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than two (2%) percent of the outstanding securities of a company whose shares are traded on any national securities exchange or (ii) as a limited partner or passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company or the Company; provided however, that the Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), or whether on the Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Term and thereafter to the extent described below, within the Territory:

i.) Engage, own, manage, operate, control, be employed by, consult for, participate in, or be connected in any manner with the ownership, management, operation or control of any business in competition with the Business of the Company, as defined in the next sentence. For purposes hereof, the term "Business" shall mean the sales and service of satellite voice and data equipment;

ii.) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the Business of the Company;

iii.) Attempt in any manner to solicit or accept from any customer of the Company, with whom Executive had significant contact during Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the Business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company, or if any such customer elects to move its business to a person other than the Company, provide any services of the kind or competitive with the Business of the Company for such customer, or have any discussions regarding any such service with such customer, on behalf of such other person for the purpose of competing with the Business of the Company; or

iv.) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company for the purpose of competing with the Business of the Company.

With respect to the activities described in subparagraphs (i), (ii), (iii) and (iv) above, the restrictions of this Section 8 shall continue during the Term hereof and, upon termination of the Executive's employment pursuant to Section 5 for a period of one (1) year thereafter.

9. Indemnification:

(a) Indemnification of Executive. To the fullest extent permitted by Chapter 7 of the Nevada Revised Statutes, the Company shall indemnify and hold harmless the Executive, and shall reimburse the Executive for, any loss, liability, claim, damage, expense (including, but not limited to, costs of investigation and defense and reasonable attorneys' fees) arising from or in connection with the Executive's performance of his duties of employment under this Agreement. Such indemnification shall exclude, however, those claims for which it is proven that: (i) the Executive's actions or failure to act constituted a breach of his or his fiduciary duties as a director or officer, and (ii) the breach of those duties involved intentional misconduct, fraud or a knowing violation of law (each such claim an "Excluded Claim").

(b) Defense of Claims. In the event that any action, suit or proceeding is brought against the Executive with respect to which the Company may have liability under this Section 9, the Company shall have the right, at its cost and expense, to defend such action, suit or proceeding in the name and on behalf of the Executive; provided, however, that the Executive shall have the right to retain his or his own counsel, with fees and expenses paid by the Company, if representation of the Executive by counsel retained by the Company would be inappropriate because of actual or potential differing interests between the Company and the Executive. In connection with any action, suit or proceeding subject to this Section 9, the Company and the Executive agree to render to each other such assistance as may reasonably be required in order to ensure proper and adequate defense of such action, suit or proceeding. The Company shall not, without the prior written consent of the Executive, settle or compromise any claim or demand if such settlement or compromise does not include an irrevocable and unconditional release of the Executive for any liability arising out of such claim or demand.

10. Miscellaneous.

(a) The Executive acknowledges that the services to be rendered by him under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Accordingly, the Executive agrees that any breach or threatened breach by him of Sections 7 or 8 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach or threatened breach. The parties understand and intend that each restriction agreed to by the Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by Law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(b) Neither the Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided however that the Company shall have the right to delegate its obligation of payment of all sums due to the Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder and the Company shall have the right to assign this Agreement in the event of the consummation of a Change of Control transaction (provided that Executive does not exercise his termination rights with respect thereto), provided that the Company requires any successor entity or Person to expressly assume, be bound by, and agree to perform the Company's obligations under this Agreement and provides Executive with an instrument executed by any such successor or Person confirming the foregoing.

(c) The Original Agreement is hereby terminated and is null and void and of no further effect. This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between the Executive and the Company with respect thereto, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by any party of any provision or condition to be performed hereunder shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time, unless the instrument of waiver expressly provides otherwise.

(d) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries, personal representatives, and permitted assigns.

(e) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, receipt acknowledged, sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight mail service (e.g., Federal Express), receipt acknowledged, to the party at the addresses set forth below or to such other address as any party may hereafter give notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after sending.

(g) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada without reference to principles of conflicts of laws and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of Nevada. The parties hereto shall initially attempt to resolve all claims, disputes or controversies arising under, out of or in connection with this Agreement by conducting good faith negotiations amongst themselves. If the parties hereto are unable to resolve the matter following good faith negotiations, the matter shall thereafter be resolved by binding arbitration and each party hereto hereby waives any right it may otherwise have to the resolution of such matter by any means other than binding arbitration pursuant to this Agreement. Whenever a party shall decide to institute arbitration proceedings, it shall provide written notice to that effect to the other parties hereto. The party giving such notice shall, however, refrain from instituting the arbitration proceedings for a period of sixty (60) days following such notice. During this period, the parties shall make good faith efforts to amicably resolve the claim, dispute or controversy without arbitration. Any arbitration hereunder shall be conducted in the English language under the commercial arbitration rules of the American Arbitration Association. Any such arbitration shall be conducted in Miami, Florida by a panel of three arbitrators: one arbitrator shall be appointed by each of the Executive and the Company; and the third shall be appointed by the American Arbitration Association. The panel of arbitrators shall have the authority to grant specific performance. Judgment upon the award so rendered may be entered in any court having jurisdiction in the State of Nevada or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based on the claim, dispute or controversy in question would be barred under this Agreement or by the applicable statute of limitations. The prevailing party in any arbitration in accordance with this Agreement shall be entitled to recover from the other party, in addition to any other remedies specified in the award, all reasonable costs, attorneys' fees and other expenses incurred by such prevailing party to arbitrate the claim, dispute or controversy.

(h) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(i) Upon execution of this Agreement, the Company shall use its reasonable best efforts to obtain quotes for Directors' and Officers' Professional Liability Insurance ("D&O Insurance") and purchase such D&O Insurance.

Notices:

If to the Company:

Orbital Tracking Corp.
18851 NE 29th Avenue, Suite 700
Aventura, FL 33180
Attention: Board of Directors

If to the Executive:

David Phipps
19-25 Nuffield Road
Poole, BH17 ORU
United Kingdom

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

Acknowledged and accepted:

COMPANY:

ORBITAL TRACKING CORP.

By: /s/ Theresa Carlise Date: June 14, 2018
Name: Theresa Carlise
Title: Chief Financial Officer

EXECUTIVE:

DAVID PHIPPS

By: /s/ David Phipps Date: June 14, 2018
David Phipps

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 14th day of June, 2018 and effective as of the 14th day of June, 2018 (the "Effective Date"), by and between Orbital Tracking Corp., a Nevada corporation (the "Company"), and Theresa Carlise (the "Executive").

WITNESSTH:

WHEREAS, Executive desires to be employed by the Company as its Chief Financial Officer and the Company wishes to employ Executive in such capacity.

WHEREAS, the Company desires to assure itself of the continued benefit of the Executive's services and experience and the Executive desires to continue in the employ of the Company upon the terms and conditions herein set forth;

WHEREAS, the Executive and the Company desire to terminate the Original Agreement and its subsequent Amendment No. 1, effective as of the date hereof and for this Agreement to embody the entire agreement and understanding of the parties and supersede the Original Agreement and any and all prior agreements, arrangements and understandings relating to the matters provided for in this Agreement.

1. **Term:** The term of the Executive's employment hereunder, unless sooner terminated as provided herein (the "Initial Term"), shall be for a period of two (2) years from the date hereof. The term of this Agreement shall automatically be extended for additional term of one (1) year each (each a "Renewal Term") unless either party gives prior written notice of non-renewal to the other party no later than three (3) months prior to the expiration of the Initial Term ("Non-Renewal Notice"), or the then current Renewal Term, as the case may be. For purposes of this Agreement, the Initial Term and any Renewal Term are hereinafter collectively referred to as the "Term." Notwithstanding any other provisions this Agreement, the Company shall have an obligation to make any payments to Executive for Base Salary and Bonuses, as defined below and as required by this Agreement.

2. **Services and Exclusivity of Services:** So long as this agreement shall continue in effect, Executive shall develop Executive's full business time energy and ability to the matters related thereto in order to perform duties as assigned by the Chief Executive Officer and/or Board of Directors of the Company (the "Board"), Executive shall use Executive best efforts and abilities to promote the Company's interests and shall perform the services contemplated by this agreement in accordance with the policies established by and under the direction of the Chief Executive Officer and/or Board. Executive agrees to serve without additional remuneration and such executive capacities for one or more direct or indirect affiliates of the Company, as the Board may from time to time request subject to appropriate authorization by the affiliate or affiliates involved and any limitations under applicable law executive agrees to faithfully and diligently promote the business affairs and interest of the Company and its Affiliates.

Without the prior express written authorization of the Chief Executive Officer and/or Board, Executive shall not, directly or indirectly, during the term of this Agreement engage in any activity competitive with, or adverse to the Company's business, whether alone, as a partner, officer, director, employee or significant investor of or in any other entity. (An investment of greater than 5% of the outstanding capital or equity securities of an entity shall be deemed significant these purposes). Executive represents to the Company that Executive has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered hereunder.

3. **Duties and Responsibilities:** Executive shall serve as the Chief Financial Officer of the Company, with such duties, responsibilities and authority as are commensurate and consistent with her position, as may be, from time to time, assigned to her by the Chief Executive Officer and/or Board of Directors (the “Board”) of the Company. The Executive shall report directly to the Chief Executive Officer of the Company. Executive shall render her services from Pittsburgh, Pennsylvania and will not be required to relocate her residence from Pittsburgh, Pennsylvania at any time during the Term hereof. Executive agrees to travel as and to the extent reasonably requested by the Company in connection with the performance of her services hereunder, the travel, lodging and other expenses related thereto to be borne by the Company. Notwithstanding the foregoing, the expenditure of reasonable amounts of time by the Executive for the making of passive personal investments, the conduct of private business affairs (including other future directorships other than serving on the Board of Directors of a competing business) and charitable and professional activities shall be allowed, provided such activities do not materially interfere with the services required to be rendered to the Company hereunder and do not violate the confidentiality provisions set forth in Section 7 below. The Company understands and acknowledges, consistent with the foregoing, that Executive currently has other personal passive investment interests in addition to her position hereunder as Chief Financial Officer, Secretary and Treasurer of the Company.

Executive agrees to observe and comply with the rules and regulations of the company as adopted by the Board respecting the performance of Executive’s duties and agrees carry out and perform orders, directions and policies of the Company and its Board as they may be, from time to time, stated either orally or in writing. The Company agrees that the duties which may be assigned to Executive shall be usual and customary duties of the position(s) to which Executive may from time to time be appointed or elected and shall not be inconsistent with the provisions of the charter documents of the Company or applicable law. Executive shall have such corporate power and authority as shall reasonably be required to enable Executive to perform the duties required in any office that may be held, subject to the limitations on such powers imposed by the Chief Executive Officer or the Board.

4. Compensation:

Base Compensation: The Corporation shall pay the Executive as compensation for her services hereunder, in equal bi-weekly installments during the Term, the sum \$150,000 per year (the “Base Salary”), less such deductions as shall be required to be withheld by applicable law and regulations. The Corporation shall review the Base Salary on an annual basis and has the right but not the obligation to increase, but not decrease, the Base Salary. The Board of Directors of the Company shall review the Base Salary on an annual basis and has the right but not the obligation to increase, but not decrease, the Base Salary.

Bonuses: Executive shall be eligible for General Bonuses (as defined below) and Performance Bonuses (as defined below) as follows (collectively, “Bonuses”)

General Bonuses: Executive shall be eligible for bonuses in accordance with any bonus or other incentive compensation plans adopted by the Board (“General Bonuses”).

Performance Bonuses: With respect to each fiscal year in which actual revenues and net income of Orbital Tracking Corp. after taxes (as determined by the Company's public accountants) equal or exceed the actual projected revenue and net income amounts adopted by the Compensation Committee of the Board of the Company (the "Compensation Committee") for earning Bonuses, which shall be adopted by the Compensation Committee annually, the Company shall pay the Executive a bonus the ("Performance Bonus"). The Performance Bonus shall be an amount equal to (a) 50% of the base salary on the last day of such fiscal year, plus (b) the product of the base salary in the last day of such fiscal year multiplied by the percentage by which the company's actual net income for such fiscal year exceeded its projected net income fiscal year, if any.

Upon consummation of an equity instrument, resulting in proceeds greater than \$1 million, Executive shall be entitled to a lump sum distribution as compensation of 1.5% of the gross proceeds, during the term of the agreement. Should this coincide with a change in control, it will be in addition to the change in control provisions.

Deferral of Performance Bonuses: Notwithstanding anything else contained herein to the contrary, Executive may elect in writing on forms provided by the Company to receive the entire Performance Bonus in the form of restricted stock if Executive makes such election prior to December 31 of the fiscal year to which the Performance Bonus relates.

Additional Benefits: The Company agrees to provide the following "Additional Benefits" to Executive:

(a) Medical plan coverage for Executive, her spouse and dependents, if any, at the expense of the Company, currently coverage is under \$1,000 a month and is subject to adjustments from the provider, with such coverage or comparable coverage to continue following termination of employment, other than for cause or without good reason, as each term is defined in this Agreement in Section 5(d) for the remainder of the term; and

(b) All rights and benefits for which Executive is otherwise eligible under any pension plan profit-sharing plan, dental, disability, or insurance plan or policy or other plan or benefit that the Company were its Affiliates may provide for Executive (provided Executive is eligible to participate therein) for employees of the Company generally, as from time to time in effect, during the term of this agreement.

(c) Auto allowance for Executive in the amount of \$600 per month;

(d) Executive shall be eligible for four (4) weeks paid vacation, during the term of this agreement. Any vacation not taken in one (1) year shall accrue, up to a maximum of six (6) weeks' vacation and shall carry over to the subsequent year.

(e) Executive shall be eligible for such grants of awards under stock option or other equity incentive plans of the Company adopted by the Board and approved by the stockholders of the Company (or any successor or replacement plan adopted by the Board and approved by the stockholders of the Company) (the "Plan") as the Compensation Committee of The Company may from time to time determine (the "Share Awards"). Share Awards shall be subject to the applicable Plan terms and conditions, provided, however, that Share Awards shall be subject to any additional terms and conditions as are provided in this Agreement or in any award certificate(s), which shall supersede any conflicting provisions governing Share Awards provided under the Plan

5. **Termination:** This agreement and all obligations hereunder except the obligations contained in sections 4, 7, 8, and 9 (Additional Benefits, Confidential Information and Noncompetition and Non-Solicitation) which shall survive any termination hereunder shall terminate upon the earliest to occur of any of the following:

(a) Expiration of Term: The expiration of the term provided for in section 1 or the voluntary termination by Executive.

(b) Death or Disability of Executive: The death or disability of Executive for the purposes of this Agreement shall mean the Executive has failed to perform her regular and customary duties to the Corporation for a period of 180 days out of any 360-day period and if before the Executive has become "Rehabilitated" (as herein defined) a majority of the members of the Board, exclusive of the Executive, vote to determine that the Executive is mentally or physically incapable or unable to continue to perform such regular and customary duties of employment. As used herein, the term "Rehabilitated" shall mean such time as the Executive is willing, able and commences to devote her time and energies to the affairs of the Corporation to the extent and in the manner that she did so prior to her Total Disability. the absence of Executive performing Executive duties with the Company on a full-time basis for a period If executive shall become disabled, Executive's employment may be terminated by written notice from the Company to Executive.

(c) For Cause or Without Good Reason: The company may terminate Executive's employment and all of Executive rights to receive Base Salary and Bonuses hereunder for Cause upon the resignation of Executive without Good Reason. For purposes of this Agreement, the term "Cause" shall be limited to the willful commission of a felony or other act of moral turpitude, which directly and demonstrably causes material, tangible harm to the Company and Good Reason shall be defined as the (i) demotion of Executive from the position of Chief Financial Officer; and (ii) without the consent of Executive any attempt to decrease Executive's base salary or bonuses; (iii) any breach of this agreement by the company or any requirement that executive relocate.

Notwithstanding the foregoing, Executive should not be terminated for cause pursuant to this section 5(c) unless and until executive has received notice of a proposed termination for Cause an Executive has had an opportunity to be heard before at least the majority of the members of the board. Executive shall be deemed to have had such opportunity is given written or telephonic notice at least 72 hours in advance of the meeting. The initial determination that Cause or Good Reason exists shall be made by the Board. Any dispute regarding such determination shall be resolved in accordance with Section 10 of this Agreement.

(d) Without Cause or With Good Reason: Notwithstanding any other provision of this Section 5 (“Termination”) the Board shall have the right to terminate Executive’s appointment with the Company without cause, and Executive shall have the right to resign with Good Reason, at any time. If the company terminates Executive without cause or Executive terminates for Good Reason then the Company shall within 10 days of such termination make an immediate lump sum payment in the amount of (i) two times the applicable base salary net of applicable taxes (ii) present value of the base salary and bonuses, (based on the assumption that the company would achieve all performance targets for 100% bonus), and the Company shall provide the Additional Benefits provided for under Section 4, for the remainder of the term including the full vesting of stock options and any gross up lump-sum distributions due to the tax effect. The present value of the aggregate unpaid Base Salary and Bonuses shall be determined under the then Applicable federal rates under the Internal Revenue Code. Further, if executive is terminated without cause or resigns with good reason, all stock options held by executive shall become fully vested.

(e) Change In Control: Termination of the Executive’s appointment with the Company as a result of, or in connection with, a Change in Control shall be treated as a termination Without Cause, entitling the Executive to the compensation and other benefits provided for in Section 5(d), provided however in no event, such compensation as provided for in section 5(d) be less than Executives total compensation during the last year. “Change in Control” shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 50.1% or more of the shares of the outstanding Common Stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Common Stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) if David Phipps is removed from the Board of Directors of the Company by the Company’s shareholders or the Company’s Board of Directors; or during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, 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 (2/3) of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; (iii) provided, however, that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: (A) any acquisitions of Common Stock or securities convertible, exercisable or exchangeable into Common Stock directly from the Company or from any affiliate of the Company, or (B) any acquisition of Common Stock or securities convertible, exercisable or exchangeable into Common Stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

6. **Business Expenses**: During the term of this agreement, the company shall reimburse executive promptly for business expenditures made and substantiated in accordance with policies, practices and procedures established from time to time by the company generally with respect to other employees and incurred in the pursuit and furtherance of the company’s business and goodwill. The Company understands that the Executive will maintain her primary residence elsewhere and any reasonable related travel fees incurred on behalf of Executive for business purposes, relating but not limited to corporate housing, hotel accommodations, airfare and car rental will be reimbursed.

7. Confidential Information:

(a) The Executive recognizes, acknowledges and agrees that she has had and will continue to have access to secret and confidential information regarding the Corporation, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products-, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. The Executive acknowledges that such information is of great value to the Corporation, is the sole property of the Corporation, and has been and will be acquired by her in confidence. In consideration of the obligations undertaken by the Corporation herein, the Executive will not, at any time, during or after her employment hereunder, reveal, divulge or make known to any person, any information acquired by the Executive during the course of her employment, which is treated as confidential by the Corporation, and not otherwise in the public domain. The provisions of this Section 7 shall survive the termination of the Executive's employment hereunder for a period of one (1) year.

(b) The Executive affirms that she does not possess and will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Corporation or its subsidiaries.

(c) In the event that the Executive's employment with the Corporation terminates for any reason, the Executive shall deliver forthwith to the Corporation any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing her compensation or relating to reimbursement of expenses, (iii) information that she reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to her employment, or termination thereof, with the Corporation.

8. Non-Competition and Non-Solicitation:

(a) The Executive agrees and acknowledges that the Confidential Information that the Executive has already received and will receive is valuable to The Company and the Company and that its protection and maintenance constitutes a legitimate business interest of The Company and the Company, to be protected by the non-competition restrictions set forth herein. The Executive agrees and acknowledges that the non-competition restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on the Executive. The Executive also acknowledges that the Company's and The Company's business is conducted worldwide (the "Territory"), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information of, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers. The provisions of this Section 9 shall survive the termination of the Executive's employment hereunder for the time periods specified below.

(b) The Executive hereby agrees and covenants that he shall not without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than two (2%) percent of the outstanding securities of a company whose shares are traded on any national securities exchange or (ii) as a limited partner or passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company or the Company; provided however, that the Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), or whether on the Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Term and thereafter to the extent described below, within the Territory:

i.) Engage, own, manage, operate, control, be employed by, consult for, participate in, or be connected in any manner with the ownership, management, operation or control of any business in competition with the Business of the Company, as defined in the next sentence. For purposes hereof, the term "Business" shall mean the sales and service of satellite voice and data equipment;

ii.) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the Business of the Company;

iii.) Attempt in any manner to solicit or accept from any customer of the Company, with whom Executive had significant contact during Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the Business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company, or if any such customer elects to move its business to a person other than the Company, provide any services of the kind or competitive with the Business of the Company for such customer, or have any discussions regarding any such service with such customer, on behalf of such other person for the purpose of competing with the Business of the Company; or

iv.) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company for the purpose of competing with the Business of the Company.

With respect to the activities described in subparagraphs (i), (ii), (iii) and (iv) above, the restrictions of this Section 8 shall continue during the Term hereof and, upon termination of the Executive's employment pursuant to Section 5 for a period of one (1) year thereafter.

9. Indemnification:

(a) Indemnification of Executive. To the fullest extent permitted by Chapter 7 of the Nevada Revised Statutes, the Company shall indemnify and hold harmless the Executive, and shall reimburse the Executive for, any loss, liability, claim, damage, expense (including, but not limited to, costs of investigation and defense and reasonable attorneys' fees) arising from or in connection with the Executive's performance of her duties of employment under this Agreement. Such indemnification shall exclude; however, those claims for which it is proven that: (i) the Executive's actions or failure to act constituted a breach of her or her fiduciary duties as a director or officer, and (ii) the breach of those duties involved intentional misconduct, fraud or a knowing violation of law (each such claim an "Excluded Claim").

(b) **Defense of Claims.** In the event that any action, suit or proceeding is brought against the Executive with respect to which the Company may have liability under this Section 9, the Company shall have the right, at its cost and expense, to defend such action, suit or proceeding in the name and on behalf of the Executive; provided, however, that the Executive shall have the right to retain her own counsel, with fees and expenses paid by the Company, if representation of the Executive by counsel retained by the Company would be inappropriate because of actual or potential differing interests between the Company and the Executive. In connection with any action, suit or proceeding subject to this Section 9, the Company and the Executive agree to render to each other such assistance as may reasonably be required in order to ensure proper and adequate defense of such action, suit or proceeding. The Company shall not, without the prior written consent of the Executive, settle or compromise any claim or demand if such settlement or compromise does not include an irrevocable and unconditional release of the Executive for any liability arising out of such claim or demand.

10. **Withholding:** All compensation payable hereunder, including, salary and other benefits, shall be subject to applicable taxes, withholding and other required, normal or elected employee deductions.

11. **Miscellaneous.**

(a) The Executive acknowledges that the services to be rendered by her under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Accordingly, the Executive agrees that any breach or threatened breach by her of Sections 7 or 8 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach or threatened breach. The parties understand and intend that each restriction agreed to by the Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by Law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(b) Neither the Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided however that the Company shall have the right to delegate its obligation of payment of all sums due to the Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder and the Company shall have the right to assign this Agreement in the event of the consummation of a Change of Control transaction (provided that Executive does not exercise her termination rights with respect thereto), provided that the Company requires any successor entity or Person to expressly assume, be bound by, and agree to perform the Company's obligations under this Agreement and provides Executive with an instrument executed by any such successor or Person confirming the foregoing.

(c) The Original Agreement is hereby terminated and is null and void and of no further effect. This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between the Executive and the Company with respect thereto, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by any party of any provision or condition to be performed hereunder shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time, unless the instrument of waiver expressly provides otherwise.

(d) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries, personal representatives, and permitted assigns.

(e) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, receipt acknowledged, sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight mail service (e.g., Federal Express), receipt acknowledged, to the party at the addresses set forth below or to such other address as any party may hereafter give notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after sending.

(g) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada without reference to principles of conflicts of laws and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of Nevada. The parties hereto shall initially attempt to resolve all claims, disputes or controversies arising under, out of or in connection with this Agreement by conducting good faith negotiations amongst themselves. If the parties hereto are unable to resolve the matter following good faith negotiations, the matter shall thereafter be resolved by binding arbitration and each party hereto hereby waives any right it may otherwise have to the resolution of such matter by any means other than binding arbitration pursuant to this Agreement. Whenever a party shall decide to institute arbitration proceedings, it shall provide written notice to that effect to the other parties hereto. The party giving such notice shall, however, refrain from instituting the arbitration proceedings for a period of sixty (60) days following such notice. During this period, the parties shall make good faith efforts to amicably resolve the claim, dispute or controversy without arbitration. Any arbitration hereunder shall be conducted in the English language under the commercial arbitration rules of the American Arbitration Association. Any such arbitration shall be conducted in Miami, Florida by a panel of three arbitrators: one arbitrator shall be appointed by each of the Executive and the Company; and the third shall be appointed by the American Arbitration Association. The panel of arbitrators shall have the authority to grant specific performance. Judgment upon the award so rendered may be entered in any court having jurisdiction in the State of Nevada or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based on the claim, dispute or controversy in question would be barred under this Agreement or by the applicable statute of limitations. The prevailing party in any arbitration in accordance with this Agreement shall be entitled to recover from the other party, in addition to any other remedies specified in the award, all reasonable costs, attorneys' fees and other expenses incurred by such prevailing party to arbitrate the claim, dispute or controversy.

(h) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(i) Upon execution of this Agreement, the Company shall use its reasonable best efforts to obtain quotes for Directors' and Officers' Professional Liability Insurance ("D&O Insurance") and purchase such D&O Insurance.

Notices:

If to the Company:

Orbital Tracking Corp.
18851 NE 29th Avenue, Suite 700
Aventura, FL 33180
Attention: Board of Directors

If to the Executive:

Theresa Carlise
P.O. Box 14823
Pittsburgh, PA. 15234

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

Acknowledged and accepted:

COMPANY:

ORBITAL TRACKING CORP.

By: /s/ David Phipps Date: June 14, 2018
Name: David Phipps
Title: Chief Executive Officer

EXECUTIVE:

THERESA CARLISE

By: /s/ Theresa Carlise Date: June 14, 2018
Theresa Carlise

