

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): August 24, 2021

Orbsat Corp

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

001-40447
(Commission
File Number)

65-0783722
(I.R.S. Employer
Identification No.)

18851 N.E. 29th Ave., Suite 700, Aventura, FL 33180
(Address of principal executive offices) (Zip Code)

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

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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001	OSAT	The Nasdaq Stock Market, Inc.
Warrants	OSATW	The Nasdaq Stock Market, Inc.

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

Emerging growth company

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

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

On August 24, 2021, Douglas S. Ellenoff was appointed to the positions of Chief Business Development Strategist of Orbsat Corp (the "Company") and Vice Chairman of the Board of Directors of the Company. These appointments were made on the approval and recommendation of the Nominating Committee of the Board. Mr. Ellenoff was not appointed to any committees of the Board.

In connection with Mr. Ellenoff's appointment to the position of Chief Business Development Strategist of the Company, Mr. Ellenoff and the Company entered into a three-year Employment Agreement, dated August 24, 2021 (the "Ellenoff Agreement"), that sets forth the terms of his employment, including with regard to compensation. Under the Ellenoff Agreement, Mr. Mr. Ellenoff will be nominated and renominated to serve on the Board during the term of the agreement.

Under the terms of the Ellenoff Agreement, Mr. Ellenoff will receive, in lieu of cash compensation: (i) a restricted stock award of 100,000 shares of Common Stock of the Company, 40,000 of which will be issued within 5 business days of the execution of the Ellenoff Agreement and vest immediately, and the remaining 60,000 of which will be issued and vest at the rate of 20,000 shares at the end of each of the next three annual anniversaries of his employment, provided that Mr. Ellenoff serves on the Board at any time during such year; and (ii) options to purchase a total of 1,500,000 shares of the Corporation's Common Stock, 300,000 of which will be issued within 5 business days of the execution of the Ellenoff Agreement and vest immediately, 150,000 of which will vest on each of the next three annual anniversaries of the commencement of his employment, and the remaining 750,000 of which will vest at the rate of 250,000 per year on each of the first three anniversaries of the commencement of his employment if during each such year Mr. Ellenoff introduces the Company to twelve (12) or more potential Business Transactions (as defined in the Ellenoff Agreement and which transactions need not be consummated); provided that the Company's Chief Executive Officer may, in his sole discretion, waive the vesting requirement in any given year. Such options will have an exercise price of \$5.35 per share and will terminate 5 years after they vest. These equity awards to Mr. Ellenoff were material to induce Mr. Ellenoff to enter into the Ellenoff Agreement and were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)).

The Ellenoff Agreement also provides that the Company is required to pay or to reimburse Mr. Ellenoff for all reasonable out-of-pocket expenses actually incurred or

paid by Mr. Ellenoff in the course of his employment, consistent with the Company's policy. Mr. Ellenoff will be entitled to participate in such stock option or other equity incentive plans of the company and any pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior employees. The Ellenoff Agreement may be terminated based on, among other things, the death or disability of Mr. Ellenoff, for cause, for good reason, and as a result of the change of control of the Company. The Ellenoff Agreement also contains certain provisions that are customary for agreements of this nature, including, without limitation, non-competition and non-solicitation covenants.

Mr. Ellenoff, 61, is the founder and a partner at Ellenoff Grossman & Schole LLP, a law firm based in NYC with more than 120 professionals, and he is a corporate and securities attorney with a focus in business transactions, mergers and acquisitions and corporate financings. Mr. Ellenoff has represented companies in connection with their initial public offerings, secondary public offerings, PIPEs, crowdfunding, regulatory compliance, as well as strategic initiatives and general corporate governance matters. Mr. Ellenoff has established his firm as a leader in several alternative finance programs, including SPACs, PIPEs, RDs and Crowdfunding. Along with other members of his Firm, Mr. Ellenoff has been involved at various stages with over 300 SPACs and numerous associated SPAC business combinations. Ellenoff Grossman & Schole LLP was founded in 1992. Mr. Ellenoff is also a Managing Member at ESQVest LLP, a venture capital firm that invests in early-stage legal technology companies, since its founding in 2014. Mr. Ellenoff's broad experience in capital markets and corporate governance matters brings significant expertise in these areas to the Board.

There are no arrangements or understandings between Mr. Ellenoff and any other persons pursuant to which he was selected as Vice Chairman of the Board and Chief Business Development Strategist. There are no family relationships between Mr. Ellenoff and any director or executive officer of the Company, and he has no indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On August 24, 2021, Paul R. Thomson was appointed to the position of Executive Vice President of the Company. Mr. Thomson's appointment as Executive Vice President was effective on August 24, 2021, the date of that certain Employment Agreement between Mr. Thomson and the Company (the "Thomson Agreement"). The Thomson Agreement has an initial term of 3 years and will be automatically extended for additional 1 year terms unless terminated by the Company or Mr. Thomson by written notice.

Mr. Thomson's annual base compensation is \$250,000. The Company may increase (but not decrease) his compensation during its term. In addition, Mr. Thomson will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board. Mr. Thomson is also entitled to participate in any other executive compensation plans adopted by the Board and is eligible for such grants of awards under stock option or other equity incentive plans as the Compensation Committee of the Company may from time to time determine (the "Share Awards"). The Company is required to pay or to reimburse Mr. Thomson for all reasonable out-of-pocket expenses actually incurred or paid by Mr. Thomson in the course of his employment, consistent with the Company's policy. Mr. Thomson will be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior employees. The Thomson Agreement may be terminated based on, among other things, the death or disability of Mr. Thomson, for cause, for good reason, and as a result of the change of control of the Company. The Thomson Agreement also contains certain provisions that are customary for agreements of this nature, including, without limitation, non-competition and non-solicitation covenants.

In connection with Mr. Thomson's employment, and as a material inducement to enter into the Thomson Agreements, Mr. Thomson received (i) immediately vested options to purchase 25,000 shares of Common Stock at a per share price of \$5.35, and having a term of 5 years; and (ii) a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. These equity awards to Mr. Thomson were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)).

Mr. Thomson, 65, has over 43 years of finance and enterprise risk management experience, supporting corporate growth through operational restructuring and business transactions. Mr. Thomson spent twelve years in public accounting with Price Waterhouse in the UK, Venezuela and the United States before taking senior finance and risk management roles in the broadcast, multi-level marketing, commercial real estate and financial advisory industries. Most recently, Mr. Thomson served as Chief Compliance Officer of Fairholme Capital Management, L.L.C. and Fairholme Funds, Inc. from 2008 to January 2020. Mr. Thomson provided consulting services to the Company for a period of one month in 2021.

There are no arrangements or understandings between Mr. Thomson and any other persons pursuant to which he was selected as Executive Vice President of the Company. There are no family relationships between Mr. Thomson and any director or executive officer of the Company, and he has no indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing descriptions of the Ellenoff Agreement and the Thomson Agreement are qualified in their entirety by the actual text of the agreements, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On August 25, 2021, the Company issued a press release (the "Press Release") reporting on (i) the Company expanding its focus on e-commerce, (ii) the appointment of Mr. Ellenoff as Vice Chairman of the Board and Chief Business Development Strategist of the Company, and Mr. Thomson as Executive Vice President of the Company and (iii) the above described inducement grants to Messrs. Ellenoff and Thomson pursuant to Nasdaq Listing Rule 5635(c)(4).

A copy of the Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The foregoing disclosure is qualified by the full text of the press release.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Employment Agreement, dated August 24, 2021, by and between Orsat Corp and Douglas S. Ellenoff.
10.2	Employment Agreement, dated August 24, 2021, by and between Orsat Corp and Paul R. Thomson.
99.1	Press Release
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signature

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

ORBSAT CORP

By: /s/ Charles M. Fernandez

Name: Charles M. Fernandez

Title: Executive Chairman & Chief Executive Officer

Dated: August 30, 2021

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of this 24th day of August 2021 (the "Effective Date"), by and between **ORBSAT CORP**, a Nevada corporation with offices at 18851 N.E. 29th Ave, Suite 700, Aventura, FL 33180 (the "Corporation"), and **DOUGLAS S. ELLENOFF** (the "Mr. Ellenoff"), under the following circumstances:

RECITALS:

- A. The Corporation desires to employ Mr. Ellenoff to provide the services of Mr. Ellenoff upon the terms and conditions hereinafter set forth; and
- B. Mr. Ellenoff desires to be employed by the Corporation and to serve as a director of the Corporation upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties mutually agree as follows:

1. Employment. The Corporation hereby employs Mr. Ellenoff, and Mr. Ellenoff hereby accepts the employment by the Corporation, subject to the terms and conditions set forth in this Agreement. The Corporation hereby employs Mr. Ellenoff, and Mr. Ellenoff hereby agrees to be employed by the Corporation, for the period and subject to the terms and conditions set forth herein. In performance of the employment pursuant to this Agreement, neither party will be deemed to have created a partnership, or joint venture with the other. The services to be provided by Mr. Ellenoff do not include the provision of legal advice.

2. Duties. Mr. Ellenoff shall serve as Vice Chairman of the Board and Chief Business Development Strategist of the Corporation, 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 Corporation. Mr. Ellenoff shall also be appointed to serve as a member of the Corporation's Board within five (5) business days of the execution of this Agreement. During the term of Mr. Ellenoff's service as Chief Development Strategist, the Board shall nominate and renominate Mr. Ellenoff to be re-elected to the Board. During the Term (as defined in Section 3), Mr. Ellenoff shall devote such time and effort as he believes is necessary to the performance of his duties hereunder. Mr. Ellenoff, and his law firm, Ellenoff Grossman & Schole LLP, are not being engaged to provide legal services to the Corporation. This Agreement shall impose no restriction upon the amount of time Mr. Ellenoff devotes to the conduct of other business affairs (including without limitation Mr. Ellenoff's fulfillment of his obligations as a partner of the law firm of Ellenoff Grossman & Schole LLP) and charitable, professional, and investment activities. Mr. Ellenoff shall notify Corporation of any physical, mental or emotional incapacity resulting from injury, sickness or disease that materially affects Mr. Ellenoff's ability to carry out the duties and responsibilities of his position. The Corporation shall keep such information confidential and use it solely for purposes of this Agreement.

3. Term of Employment. The term of Mr. Ellenoff's employment hereunder, unless sooner terminated as provided herein (the "Term"), shall be for a period of three (3) years from the date hereof.

4. Compensation of Mr. Ellenoff.

(a) Restricted Stock. In consideration for his service as a member of the Board of Directors of the Corporation, Mr. Ellenoff shall receive a Restricted Stock Award (the "RSA") of forty thousand (40,000) shares of the Corporation's Common Stock within five (5) business days of the time of execution of this Agreement, and an RSA of twenty thousand (20,000) shares of the Corporation's Common Stock on each succeeding annual anniversary of the execution of this Agreement provided that Mr. Ellenoff served on the Board of Directors of the Corporation at any time during the prior year. Such RSAs shall be fully vested upon issuance, and shall be issued outside of any existing equity, option or incentive plan of the Corporation. The Corporation at its sole expense shall make provision for the registration of the reoffer and resale by Mr. Ellenoff of the securities granted to Mr. Ellenoff pursuant to the RSA.

(b) Cash Compensation. Mr. Ellenoff shall not be entitled to receive any cash compensation.

(c) Stock Options.

(i) In consideration of his services as Chief Business Development Strategist, within five (5) business days of the date of execution of this Agreement, Mr. Ellenoff will receive options (the "Options") to purchase a total of one million five hundred thousand (1,500,000) shares of the Corporation's Common Stock ("Shares"); the Options shall be issued outside of any existing equity, option, or incentive plan of the Corporation.

(ii) The exercise price of the Options shall be \$5.35 (Five Dollars and Thirty-Five Cents) per share; the Options shall be immediately exercisable upon vesting; and the Options shall terminate on the fifth anniversary of the date the Options vest, unless sooner terminated pursuant to the terms of this Agreement.

(iii) The Options to purchase the 1,500,000 Shares shall vest as follows:

(A) Options to purchase three hundred thousand (300,000) shares shall vest immediately upon issuance; thereafter, Options to purchase an additional one hundred fifty thousand (150,000) shares shall vest on each of the next three annual anniversaries of the Effective Date, provided that this Agreement remains in full force and effect as of such dates.

2

(B) Options to purchase 750,000 Shares shall vest at the rate of 250,000 per year on each of the first three anniversaries of the Effective Date if the following vesting conditions were satisfied during the prior year: Mr. Ellenoff shall have introduced the Corporation to twelve (12) or more potential Business Transactions (defined below) intended to expand the business of the Corporation during the preceding year, one of which the Chief Executive Officer ("CEO") determined was sufficiently of interest to the Corporation to cause an in person or virtual meeting with the relevant parties. Potential Business Transactions could consist of US-based or international license, distribution, joint venture, partnership, acquisition, merger, asset purchase, or capital stock exchange, opportunities. Notwithstanding the requirements stated above, should the CEO believe that Mr. Ellenoff has provided sufficient other benefits and value to the Company, the CEO may, in his sole and absolute discretion, waive the requirements in any given year and Mr. Ellenoff will be fully entitled to the vesting of Options for such period.

(C) All Options shall vest immediately upon a Change in Control (as defined in this Agreement).

(iv) Mr. Ellenoff shall be entitled to cashless exercise of his Options. Specifically, the exercise price shall be paid to the Corporation by means of the Corporation withholding: (A) the number of Shares necessary to pay the exercise price of the Options; and (B) the number of Shares Mr. Ellenoff authorizes in writing for the Corporation to withhold for purposes of income taxes Mr. Ellenoff may owe as a result of exercising his Options. The Corporation shall pay to the U.S. Internal Revenue Service and New York Division of Revenue the value of such withheld shares in accordance with, and within the times required by, the Internal Revenue Code and applicable

regulations.

(v) The Corporation at its sole expense shall make provision for the immediate registration of, reoffer, and resale by Mr. Ellenoff of the Shares issuable to him upon exercise of the Options in accordance with the registration rights agreement annexed hereto as Exhibit "A."

(vi) The Options shall be subject to a standard weighted average anti-dilution provision and any Option award agreement shall contain such a provision.

(d) Reimbursement of Expenses. The Corporation shall pay or reimburse Mr. Ellenoff for all reasonable out-of-pocket expenses actually incurred or paid by Mr. Ellenoff in the course of his employment, consistent with the Corporation's policy for reimbursement of expenses which may be modified from time to time without notice.

(e) Participation In Benefit Plans. Mr. Ellenoff shall be eligible to participate in any stock option or other equity incentive plans of the Corporation and any pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Corporation provides to its senior employees.

3

5. Termination.

(a) This Agreement and Mr. Ellenoff's employment hereunder shall terminate upon the happening of any of the following events:

(i) upon Mr. Ellenoff's death;

(ii) upon Mr. Ellenoff's "Total Disability" (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended);

(iii) upon the expiration of the Initial Term of this Agreement or any Renewal Term thereof, if either party has provided a timely notice of non-renewal in accordance with Section 3, above;

(iv) at Mr. Ellenoff's option, and for any reason or no reason, upon thirty (30) days prior written notice to the Corporation;

(v) at the Corporation's option, in the event of an act by Mr. Ellenoff, defined in Section 5(d), below, as constituting "Cause" for termination by the Corporation; or

(vi) at Mr. Ellenoff's option, in the event of an act by the Corporation, defined in Section 5(c), below, as constituting "Good Reason" for termination by Mr. Ellenoff.

(b) For purposes of this Agreement, the term "Good Reason" shall mean that Mr. Ellenoff has resigned due to (i) any diminution of duties inconsistent with Mr. Ellenoff's title, authority, duties and responsibilities (including, without limitation, a change in the chain of reporting) including removal of Mr. Ellenoff from the Board; (ii) at any time following the consummation of any Change in Control Transaction (as defined below); or (vi) any material violation by the Corporation of its obligations under this Agreement that is not cured within thirty (30) days after receipt of written notice thereof from Mr. Ellenoff. For purposes of this Agreement, the term "Change in Control Transaction" means the sale of the Corporation or its predecessor to an un-affiliated person or entity or group of un-affiliated persons or entities pursuant to which such party or parties acquire (i) shares of capital stock of the Corporation representing at least fifty percent (50%) of outstanding capital stock or sufficient to elect a majority of the Board of the Corporation (whether by merger, consolidation, sale or transfer of shares (other than a merger where the Corporation is the surviving corporation and the shareholders and directors of the Corporation prior to the merger constitute a majority of the shareholders and directors, respectively, of the surviving corporation (or its parent)) or (ii) all or substantially all of the Corporation's assets determined on a consolidated basis.

4

(c) For purposes of this Agreement, the term "Cause" shall mean:

(i) conviction with no available appeal of a felony or a crime involving fraud or moral turpitude; or

(ii) conviction with no available appeal or admission of theft, material act of dishonesty or fraud, intentional falsification of any employment or Corporation records, or commission of any criminal act which impairs Mr. Ellenoff's ability to perform appropriate employment duties for the Corporation; or

(iii) intentional or reckless conduct or gross negligence materially harmful to the Corporation or the successor to the Corporation as reasonably determined by a majority of the independent directors of the Board after a Change in Control Transaction, including violation of a non-competition or confidentiality agreement; or

(iv) any material breach of this Agreement by Mr. Ellenoff, which breach, if curable, is not cured within fifteen (15) days after written notice to Mr. Ellenoff of such breach.

6. Effects of Termination.

(a) Upon termination of Mr. Ellenoff's employment pursuant to Section 5(a)(i), (ii), (iii), or (iv) or (v) in addition to the reimbursement of documented, unreimbursed expenses incurred prior to such date, Mr. Ellenoff or his estate or beneficiaries, as applicable, shall be entitled to receive any RSAs and Options earned and/or vested through the such date; all other RSAs and Options shall immediately terminate.

(b) Upon termination of Mr. Ellenoff's employment pursuant to Section 5(a)(vi), in addition to the reimbursement of documented, unreimbursed expenses incurred prior to such date, Mr. Ellenoff shall be entitled to receive any RSAs and Options provided for under this Agreement; any RSAs and Options that previously had not been vested shall immediately vest, and any RSAs or Options contemplated by the Agreement that had not yet been issued to Mr. Ellenoff shall be promptly issued by the Corporation.

(c) In no event shall Mr. Ellenoff be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Mr. Ellenoff under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether Mr. Ellenoff obtains other employment.

(d) Upon Mr. Ellenoff's termination of his employment with the Corporation, Mr. Ellenoff agrees to fully cooperate in all matters relating to the winding up or pending work on behalf of the Corporation. Mr. Ellenoff further agrees that he will provide, upon reasonable notice, such information and assistance to the Corporation as may reasonably be requested by the Corporation in connection with any audit, governmental investigation, litigation, or other dispute in which the Corporation is or may become a party and as to which Mr. Ellenoff has knowledge; provided, however, that (i) the Corporation agrees to reimburse Mr. Ellenoff for any related out-of-pocket expenses, including travel expenses, and (ii) any such assistance may not unreasonably interfere with Mr. Ellenoff's then current employment.

5

7. Disclosure of Confidential Information.

(a) Mr. Ellenoff recognizes, acknowledges and agrees that he 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, and Mr. Ellenoff shall keep such information confidential unless such information (i) is in or has become part of the public domain, (ii) became known to others through no fault of Mr. Ellenoff (iii) was disclosed by a third party who has an independent right to such information prior to the date of this Agreement or (iv) was available to Mr. Ellenoff prior to this Agreement on a non-confidential basis from a party not bound by a confidentiality agreement with the Corporation. Mr. Ellenoff 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, Mr. Ellenoff will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any Confidential Information acquired by Mr. Ellenoff during the course of his employment, which is treated as confidential by the Corporation, and not otherwise in the public domain, except as required by law (but only after Mr. Ellenoff has provided the Corporation with reasonable notice and opportunity to take action against any legally required disclosure. The provisions of this Section 7 shall survive the termination of Mr. Ellenoff's employment hereunder.

(b) In accordance with the (U.S.) Defend Trade Secrets Act, Company hereby provides to Mr. Ellenoff the following notice of immunity protection available thereunder: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order."

(c) Mr. Ellenoff affirms that he 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.

6

(d) In the event that Mr. Ellenoff's employment with the Corporation terminates for any reason, and Mr. Ellenoff does not remain on the Board, Mr. Ellenoff shall deliver forthwith to the Corporation any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Mr. Ellenoff 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 he 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-Solicitation.

(a) Mr. Ellenoff agrees and acknowledges that the Confidential Information that Mr. Ellenoff has already received and will receive is valuable to the Corporation and that its protection and maintenance constitutes a legitimate business interest of the Corporation, to be protected by the non-solicitation restrictions set forth herein. Mr. Ellenoff agrees and acknowledges that the non-solicitation restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on Mr. Ellenoff. Mr. Ellenoff also acknowledges that the Corporation's business is conducted worldwide (the "Territory"), and that the Territory, scope of prohibited solicitation, and time duration set forth in the non-solicitation 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 Corporation, its affiliates and/or its clients or customers. The provisions of this Section 8 shall survive the termination of Mr. Ellenoff's employment hereunder for a period of 3 months after the termination of Mr. Ellenoff's employment for whatever reason, and regardless of whether the termination is voluntary or involuntary, within the Territory.

(b) Mr. Ellenoff hereby agrees and covenants that he shall not without the prior written consent of the Corporation, during the Term and for a period of one (1) year after the termination of Mr. Ellenoff's employment for whatever reason, and regardless whether the termination is voluntary or involuntary, within the Territory:

(i) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Corporation 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 Corporation;

(ii) Attempt in any manner to solicit or accept from any customer of the Corporation, with whom Mr. Ellenoff had significant contact during Mr. Ellenoff's employment by the Corporation (whether under this Agreement or otherwise), business competitive with the Business done by the Corporation 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 with the Corporation, or if any such customer elects to move its business to a person other than the Corporation, provide any services of the kind or competitive with the Business of the Corporation 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 Corporation; provided that the foregoing prohibition shall not apply to any customer introduced to the Corporation by Mr. Ellenoff; or

7

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

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

(v) The Corporation acknowledges that Mr. Ellenoff has, or throughout the Term may have, commitments and business activities not related to the Corporation. In this regard, there shall be no restriction on Mr. Ellenoff's ability to fulfill such commitments or to engage in such business activities.

9. Federal, State and Local Income and Payroll Taxes. Mr. Ellenoff shall receive an IRS Form W-2 from the Corporation. Federal, state, and local income tax and payroll tax shall be withheld by the Corporation from any compensation paid to Mr. Ellenoff, and paid on behalf of Mr. Ellenoff, to the appropriate tax authorities.

10. Personal Nature of Agreement. Unless otherwise agreed to by the Corporation and Mr. Ellenoff, all of the services hereunder shall be performed by Mr. Ellenoff. This Agreement shall terminate upon the death of Mr. Ellenoff, or the incapacity or disability of Mr. Ellenoff, which substantially affects his ability to act in his performance of the services contemplated hereunder. Neither this Agreement nor any duties or obligations hereunder shall be assignable or subcontracted by Mr. Ellenoff.

11. Indemnification/Insurance.

(a) The Corporation shall indemnify, hold harmless Mr. Ellenoff and advance to Mr. Ellenoff costs and expenses of defense, including reasonable attorneys' fees, to the fullest extent allowed under Nevada law relating to his service as a member of the Board of Directors and his employment as the Chief Business Development Strategist. The Corporation and Mr. Ellenoff will enter into a separate Indemnification Agreement annexed hereto as Exhibit "B." Mr. Ellenoff's rights under such Indemnification Agreement shall be in addition to, and not in derogation of, his rights to indemnification under the Corporation's articles of incorporation and bylaws, any statute, and the common law. The Corporation agrees not to take any action that may limit the rights of indemnification and advancement of expenses available to Mr. Ellenoff in the future. In the event Mr. Ellenoff is required to threaten or initiate legal action for the purpose of enforcing rights to advancement of expenses or indemnification he shall be entitled to recover his reasonable attorneys' fees related to such action and to his costs, if he prevails in such action.

8

(b) During the term of Mr. Ellenoff's service as an employee or a board member, whichever is longer, and for a period for a period of six years after the later of the end of his employment relationship or his board service, the Company, or any successor to the Company resulting from a Change in Control, shall keep in place a directors' and officers' liability insurance policy (or policies) providing comprehensive coverage to Executive in the amount of at least \$5,000,000 (Five Million Dollars) or, if in a greater amount, to the extent that Company provides such coverage for any senior executive or director. Mr. Ellenoff, in his role as an employee, shall be named as an additional insured on the Corporation's directors' and officers' insurance policy.

12. Survival. The provisions of Sections 4, 5, 6, 7, 8, 9, and 13 will survive the termination of this Agreement.

13. Miscellaneous.

(a) Mr. Ellenoff 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, Mr. Ellenoff agrees that any breach or threatened breach by him of Sections 7 or 8 of this Agreement shall entitle the Corporation, 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 Mr. Ellenoff 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 Corporation 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 Corporation may have at law or in equity.

(b) Neither Mr. Ellenoff nor the Corporation may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other party.

(c) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to Mr. Ellenoff's employment by the Corporation, supersedes all prior understandings and agreements, whether oral or written, between Mr. Ellenoff and the Corporation, 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 either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

9

(d) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries 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, sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight mail service (e.g., Federal Express) to the party at the address set forth above or to such other address as either 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 Delaware 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 Florida.

(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. Electronic, PDF and facsimile signatures shall constitute original signatures.

(i) In the event of litigation or arbitration arising out of this Agreement, the prevailing party shall be entitled to the award of reasonable attorney and paralegal fees and costs at the trial and appellate levels, except that the Corporation shall not be entitled to recover its attorneys' fees or paralegal fees if it prevails in a legal action brought by Mr. Ellenoff to obtain advance of expenses or indemnification under § 13(a) of this Agreement.

[Signature Page Follows]

10

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written above.

ORBSAT CORP

By: /s/ Charles M. Fernandez
Charles M. Fernandez
Title: Executive Chairman & Chief Executive Officer

DOUGLAS S. ELLENOFF

/s/ Douglas S. Ellenoff

11

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into as of this 24th day of August 2021 (the "Effective Date"), by and between **ORBSAT CORP**, a Nevada corporation with offices at 18851 N.E. 29th Ave, Suite 700, Aventura, FL 33180 (the "Corporation"), and **Paul R. Thomson** (the "Employee"), under the following circumstances:

RECITALS:

- A. The Corporation desires to secure the services of the Employee upon the terms and conditions hereinafter set forth; and
- B. The Employee desires to render services to the Corporation upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties mutually agree as follows:

1. Employment. The Corporation hereby employs the Employee and the Employee hereby accepts employment as an Employee of the Corporation, subject to the terms and conditions set forth in this Agreement.

2. Duties. The Employee shall serve as **Executive Vice President** of the Corporation, 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 Corporation. During the Term (as defined in Section 3), the Employee shall devote all of his full business time and efforts to the performance of his duties hereunder unless otherwise authorized by the Board. Notwithstanding the foregoing, the expenditure of reasonable amounts of time by the Employee for the making of passive personal investments, the conduct of business affairs and charitable and professional activities shall be allowed, provided such activities do not materially interfere with the services required to be rendered to the Corporation hereunder and do not violate the restrictive covenants set forth in Section 9 below. Employee shall notify Corporation of any physical, mental or emotional incapacity resulting from injury, sickness or disease that affects Employee's ability to carry out the duties and responsibilities of Employee's position.

3. Term of Employment. The term of the Employee's employment hereunder, unless sooner terminated as provided herein (the "Initial Term"), shall be for a period of three (3) years. The term of this Agreement shall automatically be extended for additional terms 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 thirty (30) days 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."

4. Compensation of Employee.

(a) The Corporation shall pay the Employee as compensation for his services hereunder, in accordance with the Company's payroll policy, of bi-weekly installments during the Term, the sum of \$250,000 (the "Annual Base Salary"), less such deductions as shall be required to be withheld by applicable law and regulations and monthly advances against the salary. The Corporation shall review the Base Salary on an annual basis and has the right, but not the obligation, to increase it, but such salary shall not be decreased during the Term.

(b) In addition to the Base Salary set forth in Section 4(a), the Employee shall be entitled to receive an annual cash bonus if the Corporation meets or exceeds criteria adopted by the Compensation Committee of the Board of Directors (the "Compensation Committee") for earning bonuses which criteria shall be adopted by the Compensation Committee annually. Bonuses shall be paid by the Corporation to the Employee promptly after determination that the relevant targets have been met, it being understood that the attainment of any financial targets associated with any bonus shall not be determined until following the completion of the Corporation's annual audit and public announcement of such results and bonuses shall be paid promptly following the Corporation's announcement of earnings. Employee is entitled to receive any additional bonuses as determined by the Board and its Compensation Committee and to participate in any other executive compensation plans adopted by the Board.

(c) As a material inducement to enter into the employment agreement, Employee is to receive a restricted stock grant and options, issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)). Employee shall receive immediately vested options to purchase 25,000 shares of Common Stock at a per share price of \$5.35, and having a term of 5 years; and a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. In lieu of cash compensation,

(i) All Options shall vest immediately upon a Change in Control (as defined in this Agreement).

(ii) Employee shall be entitled to cashless exercise of his Options. Specifically, the exercise price shall be paid to the Corporation by means of the Corporation withholding: (A) the number of Shares necessary to pay the exercise price of the Options; and (B) the number of Shares Employee authorizes in writing for the Corporation to withhold for purposes of income taxes Employee may owe as a result of exercising his Options. The Corporation shall pay to the U.S. Internal Revenue Service and Florida Division of Revenue the value of such withheld shares in accordance with, and within the times required by, the Internal Revenue Code and applicable regulations.

(d) Equity Awards. Employee shall be eligible for such grants of awards under stock option or other equity incentive plans of the Corporation adopted by the Board and approved by the Corporation's stockholders (or any successor or replacement plan adopted by the Board and approved by the Corporation's stockholders) (the "Plan") as the Compensation Committee of the Corporation 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 herein or in any award certificate(s), which shall supersede any conflicting provisions governing Share Awards provided under the Plan.

(e) The Corporation shall pay or reimburse the Employee for all reasonable out-of-pocket expenses actually incurred or paid by the Employee in the course of his employment, consistent with the Corporation's policy for reimbursement of expenses which may be modified from time to time without notice.

(f) The Employee shall be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Corporation provides to its senior Employees (the "Benefit Plans").

5. Termination.

(a) This Agreement and the Employee's employment hereunder shall terminate upon the happening of any of the following events:

(i) upon the Employee's death;

(ii) upon the Employee's "Total Disability" (as defined in Section 226(3) of the Internal Revenue Code of 1986, as amended);

(iii) upon the expiration of the Initial Term of this Agreement or any Renewal Term thereof, if either party has provided a timely notice of non-renewal in accordance with Section 3, above;

(iv) at the Employee's option, upon thirty (30) days prior written notice to the Corporation;

(v) at the Employee's option, in the event of an act by the Corporation, defined in Section 5(c), below, as constituting "Good Reason" for termination by the Employee; and

(vi) at the Corporation's option, in the event of an act by the Employee, defined in Section 5(d), below, as constituting "Cause" for termination by the Corporation.

(vii) Nothing in this Section 5(b) shall be construed to waive the Employee's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. s.2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. s12101 *et seq.*

(b) For purposes of this Agreement, the term "Good Reason" shall mean that the Employee has resigned due to (i) a significant diminution of duties inconsistent with Employee's title, authority, duties and responsibilities, provided that Employee provides written notice of such resignation within five (5) business days of notification of such significant diminution of duties. Employee acknowledges that reassignment to an executive position in the Corporation or one of its subsidiaries does not meet the definition of a significant diminution of duties; (ii) any reduction of or failure to pay Employee compensation provided for herein, except to the extent Employee consents in writing prior to any reduction, deferral or waiver of compensation, which non-payment continues for a period of ten (10) days following written notice to the Corporation by Employee of such non-payment; (iii) any relocation of the principal location of Employee's employment outside of the State of Florida or in a manner which makes remote work environment unfeasible without the Employee's prior written consent; (iv) at any time following the consummation of any Change in Control Transaction (as defined below); (v) any material violation by the Corporation of its obligations under this Agreement that is not cured within thirty (30) days after receipt of written notice thereof from the Employee. For purposes of this Agreement, the term "Change in Control Transaction" means the sale of the Corporation or its predecessor to an un-affiliated person or entity or group of un-affiliated persons or entities pursuant to which such party or parties acquire (i) shares of capital stock of the Corporation representing at least fifty percent (50%) of outstanding capital stock or sufficient to elect a majority of the Board of the Corporation (whether by merger, consolidation, sale or transfer of shares (other than a merger where the Corporation is the surviving corporation and the shareholders and directors of the Corporation prior to the merger constitute a majority of the shareholders and directors, respectively, of the surviving corporation (or its parent)) or (ii) all or substantially all of the Corporation's assets determined on a consolidated basis.

(c) For purposes of this Agreement, the term "Cause" shall mean:

(i) conviction of a felony or a crime involving fraud or moral turpitude; or

(ii) theft, material act of dishonesty or fraud, intentional falsification of any employment or Corporation records, or commission of any criminal act which impairs Employee's ability to perform appropriate employment duties for the Corporation; or

(iii) intentional or reckless conduct or gross negligence materially harmful to the Corporation or the successor to the Corporation after a Change in Control Transaction, including violation of a non-competition or confidentiality agreement; or

(iv) willful failure to follow lawful and reasonable instructions of the person or body to which Employee reports, which failure, if curable, is not cured within thirty (30) days after written notice to the Employee thereof; or

(v) gross negligence or willful misconduct in the performance of Employee's assigned duties; or

(vi) any material breach of this Agreement by Employee, which breach, if curable, is not cured within fifteen (15) days after written notice to the Employee of such breach.

6. Effects of Termination.

(a) Upon termination of the Employee's employment pursuant to Section 5(a)(i) or (ii), in addition to the accrued but unpaid compensation through the date of death or Total Disability and any other benefits accrued to him under any Benefit Plans outstanding at such time and the reimbursement of documented, unreimbursed expenses incurred prior to such date, the Employee or his estate or beneficiaries, as applicable, shall be entitled to the following severance benefits: (i) continued provision for a period of twelve (12) months following the Employee's death or Total Disability of benefits under Benefit Plans extended from time to time by the Corporation to its senior Employees; and (ii) payment on a pro-rated basis of any bonus or other payments earned in connection with any bonus plan to which the Employee was a participant as of the date of death or Total Disability earned prior to the date of termination.

(b) Upon termination of the Employee's employment pursuant to Section 5(a)(iii), where the Corporation has offered to renew the term of the Employee's employment for an additional one (1) year period and the Employee chooses not to continue in the employ of the Corporation, the Employee shall be entitled to receive only the accrued but unpaid compensation through the date of termination and any other benefits accrued to him under any Benefit Plans outstanding at such time and the reimbursement of documented, unreimbursed expenses incurred prior to such date. In the event the Corporation tenders a Non-Renewal Notice to the Employee, then the Employee shall be entitled to the same severance benefits as if the Employee's employment were terminated pursuant to Section 5(a)(v); provided, however, if such Non-Renewal Notice was triggered due to the Corporation's statement that the Employee's employment was terminated due to Section 5(a)(vi) (for "Cause"), then payment of severance benefits will be contingent upon a determination as to whether termination was properly for "Cause."

(c) Upon termination of the Employee's employment pursuant to Section 5(a)(v) or other than pursuant to Section 5(a)(i), 5(a)(ii), 5(a)(iii), 5(a)(iv), or 5(a)(vi) (i.e., without "Cause"), in addition to the accrued but unpaid compensation and vacation pay through the end of the Term or any then applicable extension of the Term and any other benefits accrued to him under any Benefit Plans outstanding at such time and the reimbursement of documented, unreimbursed expenses incurred prior to such date, the Employee shall be entitled to the following severance benefits: (i) a cash payment, based on the current scale of Employee's Base Salary, equal to six months of Base Salary, to be paid in a single lump sum payment not later than sixty (60) days following such termination, less withholding of all applicable taxes; (ii) continued provision for a period of twelve (12) months after the date of termination of the benefits under Benefit Plans extended from time to time by the Corporation to its senior Employees; and (iii) payment on a pro-rated basis of any bonus or other payments earned in connection with any bonus plan to which the Employee was a participant as of the date of the Employee's termination of employment. In addition, any options or restricted stock shall be immediately vested upon termination of Employee's employment pursuant to Section 5(a)(v) or by the Corporation without "Cause".

(d) Upon termination of the Employee's employment pursuant to Section 5(a)(iv) or (vi), in addition to the reimbursement of documented, unreimbursed expenses incurred prior to such date, the Employee shall be entitled to the following severance benefits: (i) accrued and unpaid Base Salary through the date of termination, less withholding of applicable taxes and any other benefits accrued to him under any Benefit Plans outstanding at such time; and (ii) continued provision, for a period of one (1) month after the date of the Employee's termination of employment, of benefits under Benefit Plans extended to the Employee at the time of termination. Employee shall have any conversion rights available under the Corporation's Benefit Plans and as otherwise provided by law, including the Comprehensive Omnibus Budget Reconciliation Act.

(e) Any payments required to be made hereunder by the Corporation to the Employee shall continue to the Employee's beneficiaries in the event of his death until paid in full.

7. Time Off. In addition to standard holidays, the Employee shall be entitled to take reasonable amounts of time off for vacation, illness, and personal matters during which period his salary shall be paid in full. Discretionary absences of longer than one week should be scheduled at such time or times as the Employee and the Corporation shall determine is mutually convenient.

8. Disclosure of Confidential Information.

(a) The Employee recognizes, acknowledges and agrees that he 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 (i) is not in or does not hereafter become part of the public domain, or (ii) became known to others through no fault of the Employee. The Employee 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 Employee will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any Confidential Information acquired by the Employee during the course of his employment, which is treated as confidential by the Corporation, and not otherwise in the public domain, except as required by law (but only after Employee has provided the Corporation with reasonable notice and opportunity to take action against any legally required disclosure. The provisions of this Section 8 shall survive the termination of the Employee's employment hereunder.

(b) The Employee affirms that he 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, except his prior knowledge of Lighter Than Air Systems Corp. which was acquired by the Corporation.

(c) In the event that the Employee's employment with the Corporation terminates for any reason, the Employee shall deliver forthwith to the Corporation any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, Employee 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 he 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.

(d) **Post-Termination Assistance.** Upon the Employee's termination of employment with the Company, the Employee agrees to fully cooperate in all matters relating to the winding up or pending work on behalf of the Company and the orderly transfer of work to other employees of the Company following any termination of the Employees' employment. The Employee further agrees that Employee will provide, upon reasonable notice, such information and assistance to the Company as may reasonably be requested by the Company in connection with any audit, governmental investigation, litigation, or other dispute in which the Company is or may become a party and as to which the Employee has knowledge; provided, however, that (i) the Company agrees to reimburse the Employee for any related out-of-pocket expenses, including travel expenses, and (ii) any such assistance may not unreasonably interfere with Employee's then current employment.

(e) **No Mitigation or Set-Off.** In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Employee obtains other employment. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Employee or others; provided, however, the Company shall have the right to offset the amount of any funds loaned or advanced to the Employee and not repaid against any severance obligations the Company may have to the Employee hereunder.

9. Non-Competition and Non-Solicitation.

(a) The Employee agrees and acknowledges that the Confidential Information that the Employee has already received and will receive is valuable to the Corporation and that its protection and maintenance constitutes a legitimate business interest of the Corporation, to be protected by the non-competition restrictions set forth herein. The Employee 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 Employee. The Employee also acknowledges that the Corporation'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 Corporation, its affiliates and/or its clients or customers. The provisions of this Section 9 shall survive the termination of the Employee's employment hereunder for a period of one (1) year after the termination of Employee's employment for whatever reason, and regardless whether the termination is voluntary or involuntary, within the Territory.

(b) The Employee hereby agrees and covenants that he shall not without the prior written consent of the Corporation, 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, 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 Corporation; provided however, that the Employee shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), whether on the Employee's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Term and for a period of one (1) year after the termination of the Employee's employment for whatever reason, and regardless whether the termination is voluntary or involuntary, within the Territory.

(1) 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 Corporation, as defined in the next sentence. "Business" shall mean mobile satellite products and services sector of the global communications industry.

(2) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Corporation 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 Corporation.

(3) Attempt in any manner to solicit or accept from any customer of the Corporation, with whom Employee had significant contact during Employee's

employment by the Corporation (whether under this Agreement or otherwise), business competitive with the Business done by the Corporation 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 with the Corporation, or if any such customer elects to move its business to a person other than the Corporation, provide any services of the kind or competitive with the Business of the Corporation 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 Corporation; or

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

With respect to the activities described in Paragraphs (1), (2), (3) and (4) above, the restrictions of this Section 9 shall continue during the Employment Period and, upon termination of the Employee's employment for a period of one (1) year thereafter.

10. Intentionally Omitted.

11. Section 409A.

The provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any final regulations and guidance promulgated thereunder ("Section 409A") and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Corporation and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

To the extent that Employee will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which you incurred the expense.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement references to a "termination," "termination of employment" or like terms shall mean Separation from Service.

Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination, then only that portion of the severance and benefits payable to Employee pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following Employee's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Compensation Separation Benefits in excess of the Section 409A Limit otherwise due to Employee on or within the six (6) month period following Employee's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of Employee's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following termination but prior to the six (6) month anniversary of Employee's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" will mean a sum equal (x) to the amounts payable prior to March 15 following the year in which Employee terminations plus (y) the lesser of two (2) times: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during the Corporation's taxable year preceding the Corporation's taxable year of Employee's termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A) (1) and any IRS guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's employment is terminated.

12. Miscellaneous.

a. The Employee 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 Employee agrees that any breach or threatened breach by him of Sections 8 or 9 of this Agreement shall entitle the Corporation, 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 Employee 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 Corporation 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 Corporation may have at law or in equity.

b. Neither the Employee nor the Corporation 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 Corporation shall have the right to delegate its obligation of payment of all sums due to the Employee hereunder, provided that such delegation shall not relieve the Corporation of any of its obligations hereunder.

c. This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Employee's employment by the Corporation, supersedes all prior understandings and agreements, whether oral or written, between the Employee and the Corporation, 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 either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

d. This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries 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, sent by registered or certified mail, return receipt requested, postage prepaid, or by private overnight mail service (e.g. Federal Express) to the party at the address set forth above or to such other address as either 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 Florida 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 Florida.

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.

CORPORATION:

ORBSAT CORP

/s/ Charles M. Fernandez

By: Charles M. Fernandez

Title: Chief Executive Officer

EMPLOYEE:

/s/ Paul R. Thomson

By: Paul R. Thomson



Orbsat Corp Expands Focus on E-Commerce with Appointments of Douglas S. Ellenoff as Vice Chairman and Chief Business Development Strategist and Paul R. Thomson as Executive Vice President

Latest Additions to the Management Team Bring Extensive Banking, Finance, and M&A Experience to the Company

AVENTURA, FL – August 25, 2021 – Orbsat Corp (NASDAQ: OSAT.OSATW) (“Orbsat” or “the Company”), a global e-commerce provider of IoT and connectivity solutions, today announced its intent to further expand its strategic business focus on the sale of commercial products worldwide with the appointments of Douglas S. Ellenoff as its new Vice Chairman and Chief Business Development Strategist and Paul R. Thomson as Executive Vice President.

In addition to his current and continuing role as founder and partner at Ellenoff Grossman & Schole LLP, Mr. Ellenoff assumes the position as Vice Chairman and Chief Development officer at Orbsat, advising the Company on strategic transactions including licensing, joint ventures, and acquisitions opportunities in the e-commerce space. In his new role as Executive Vice President, Mr. Thomson will focus on risk-based strategies to support and enable Orbsat’s implementation of infrastructure improvements as it prepares for expansion and transition into an e-commerce platform company.

Mr. Fernandez, said, “David Phipps and I are honored and excited to welcome Douglas and Paul to Orbsat at what is a critical inflection point in our corporate development. Supported by over \$14 million in new growth capital to strengthen the balance sheet and significant second quarter revenue growth, we intend to further capitalize on the strength and scale of our online business model. The addition of Douglas and Paul is an important initial step in our transition to becoming a global e-commerce platform company with revenue opportunities across various high-growth sectors of the e-commerce space.”

Douglas S. Ellenoff is the founder and partner at Ellenoff Grossman & Schole LLP, a law firm based in NYC with more than 120 professionals, and he is a corporate and securities attorney with a focus in business transactions, mergers and acquisitions and corporate financings. Mr. Ellenoff has represented companies in connection with their initial public offerings, secondary public offerings, PIPEs, crowdfunding, regulatory compliance, as well as strategic initiatives and general corporate governance matters. Mr. Ellenoff has established his firm as a leader in several alternative finance programs, including SPACs, PIPEs, RDs and Crowdfunding. Along with other members of his Firm, Mr. Ellenoff has been involved at various stages with over 300 SPACs and numerous associated SPAC business combinations.

Paul R. Thomson has over 43 years of Finance and Enterprise Risk Management experience, supporting corporate growth through operational restructuring and business transactions. Mr. Thomson spent twelve years in public accounting with Price Waterhouse in the UK, Venezuela and the United States before taking Senior Finance and Risk Management roles in the Broadcast, Multi-Level Marketing, Commercial Real Estate and Financial Advisory Industries, most recently in the role of Chief Compliance Officer of Fairholme Capital Management, L.L.C. and Fairholme Funds, Inc. during his tenure from 2008 to January 2020.



As a material inducement to enter into their respective employment agreements, on August 24, 2021, Mr. Thomson and Mr. Ellenoff received restricted stock grants and options, issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq “inducement grant” exception (Nasdaq Listing Rule 5635(c)(4)). Mr. Thomson received immediately vested options to purchase 25,000 shares of Common Stock at a per share price of \$5.35, and having a term of 5 years; and a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. In lieu of cash compensation, Mr. Ellenoff received a restricted stock grant of 100,000 shares of Common Stock, 40,000 of which vest immediately, and the remaining 60,000 of which will vest at the rate of 20,000 shares at the end of each of the next three annual anniversaries of his employment provided that Mr. Ellenoff serves on the Board of Directors of the Corporation at any time during such year; and options to purchase a total of 1,500,000 shares of the Corporation’s Common Stock, 300,000 of which vest immediately, 150,000 of which will vest on each of the next three annual anniversaries of the commencement of his employment, and the remaining 750,000 of which will vest at the rate of 250,000 per year on each of the first three anniversaries of the commencement of his employment if during each such year Mr. Ellenoff introduces the Company to twelve (12) or more potential Business Transactions (as defined in his employment agreement and which transactions need not be consummated); provided that the CEO may, in his sole discretion, waive the vesting requirement in any given year. Such options will have an exercise price of \$5.35 per share and shall terminate 5 years after they vest.

About Orbsat Corp

Orbsat provides services and solutions to fulfill the rapidly growing global demand for satellite-based voice, high-speed data, tracking and IoT connectivity services. Building upon its long-term experience providing government, commercial, military and individual consumers with Mobile Satellite Services, Orbsat is positioned to capitalize on the significant opportunities being created by global investments in new and upgraded satellite networks. Orbsat’s US and European based subsidiaries, Orbital Satcom and Global Telesat Communications, have provided global satellite connectivity solutions to more than 50,000 customers located in over 165 countries across the world.

Forward-Looking Statements

Certain statements in this release constitute forward-looking statements. These statements include the capabilities and success of the Company’s business and any of its products, services or solutions. The words “believe,” “forecast,” “project,” “intend,” “expect,” “plan,” “should,” “would,” and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors, including the Company’s ability to launch additional storefronts in various geographic locations, its ability to grow and expand as intended, the Company’s expectations of worldwide growth and public infrastructure spending, ability to raise additional capital to finance the Company’s operations, any of which could cause the Company to not achieve some or all of its goals or the Company’s previously reported actual results, performance (finance or operating) to change or differ from future results, the Company’s ability to capitalize on its partnerships as well as other similar arrangements, performance (financing and operating) or achievements, including those expressed or implied by such forward-looking statements. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company’s filings with the SEC, copies of which may be obtained from the SEC’s website at www.sec.gov. The Company assumes no, and hereby disclaims any, obligation to update the forward-looking statements contained in this press release.

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