

SAEXPLORATION HOLDINGS, INC.

FORM 8-K (Current report filing)

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Address	1160 DAIRY ASHFORD RD. SUITE 160 HOUSTON, TX 77079
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Sector	Energy
Fiscal Year	12/31

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): May 4, 2017

SAEXPLORATION HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-35471

(Commission file number)

27-4867100

(IRS Employer Identification No.)

1160 Dairy Ashford Rd., Suite 160, Houston, Texas 77079

(Address of principal executive offices) (Zip Code)

(281) 258-4400

(Company's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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 14(d)-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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amended and Restated 2016 Long-Term Incentive Plan

On May 4, 2017, the Board of Directors approved and adopted, subject to effectiveness, the Company's Amended and Restated 2016 Long-Term Incentive Plan (the "Amended and Restated Plan"). On May 8, 2017, the Company received written consents from the holders of a majority of the shares of common stock of the Company ("Common Stock") outstanding (the "Consenting Stockholders") approving and adopting, subject to effectiveness, the Amended and Restated Plan. The Amended and Restated Plan was approved by stockholder written consent pursuant to Section 228 of the Delaware General Corporation Law and Section 2.12 of the Company's bylaws, which permit any action that may be taken at a meeting of the stockholders to be taken by written consent by the holders of the number of shares of stock required to approve the action at a meeting at which all shares entitled to vote were present and voted. In connection therewith, the Company will file an Information Statement on Schedule 14C with the Securities and Exchange Commission (the "Information Statement") and the Amended and Restated Plan will become effective twenty calendar days following the mailing of the Information Statement.

The Amended and Restated Plan combines, amends, and restates (i) the Company's 2016-Long Term Incentive Plan effective September 4, 2016 (the "2016 Long-Term Incentive Plan"), and (ii) the Company's 2013 Non-Employee Director Share Incentive Plan effective November 1, 2013, and amended effective August 3, 2016 (as amended, the "2013 Non-Employee Director Plan," and collectively with the 2016 Long-Term Incentive Plan, the "Original Plans").

The Amended and Restated Plan (i) combines the shares available for issuance under the Original Plans into a common pool of Common Stock, (ii) allows the granting of awards for payment of annual bonuses provided for under certain employment agreements between the Company and certain of its officers and under its bonus programs for other employees, and (iii) adopts such other amendments to make the Amended and Restated Plan compatible for granting awards to both employees and non-employee directors.

Summary of Amendments

A summary of material amendments to the 2016 Long-Term Incentive Plan and provisions of the 2013 Non-Employee Director Plan that were not incorporated into the Amended and Restated Plan is set forth below:

- The Amended and Restated Plan combines the shares available for issuance under the Original Plans into a common pool of Common Stock. The only Common Stock subject to the Amended and Restated Plan is that Common Stock current subject to the Original Plans; no additional shares will be issued under or be subject to the Amended and Restated Plan.
- The Amended and Restated Plan allows the granting of restricted shares for payment of annual bonuses provided for under certain employment agreements between the Company and certain of its officers and under its bonus programs for other employees ("Bonus Awards"). The Compensation Committee will determine awards to officers eligible to receive Common Stock as Bonus Awards.
- The Amended and Restated Plan provides that non-employee directors are eligible for awards of restricted shares or NSOs and authorizes the Board or the Compensation Committee to grant and administer such awards.
- Unless otherwise provided in an award agreement, awards made to non-employee directors will terminate and become null and void upon termination of the non-employee director's service as a director of the Company, unless (a) such service is terminated by the disability of the non-employee director (in which case any Option held by such non-employee director remains exercisable at any time up to and including one year after the date of termination of service), or (b) the non-employee director fails to be nominated for re-election by the Company or fails to be re-elected by the stockholders following nomination by the Company (in which case any Option held by such non-employee director will remain exercisable at any time up to and including three months after the date of such termination of service). In no event will such Option remain exercisable after the tenth anniversary of the date of grant.
- The 2016 Long-Term Incentive Plan required that 622,955 of the shares reserved for issuance under the 2016 Long-Term Incentive Plan be granted by the Committee to certain employees of the Company or any subsidiary identified in the 2016 Long-Term Incentive Plan as soon as administratively practicable after receipt by the Company of stockholder approval of the 2016 Long-Term Incentive Plan and the effectiveness of stockholder approval of the 2016 Long-Term Incentive Plan, in the form of stock units and options, on the terms and subject to the conditions set forth in the 2016 Long-Term Incentive Plan (the "MIP Shares"). The MIP Shares were granted on September 26, 2016. Because the MIP Shares have already been granted,

the Amended and Restated Plan does not address the MIP Shares or any plan provisions or award agreements relating to the MIP Shares.

- The Amended and Restated Plan uses the administrative and procedural provisions of the 2016 Long-Term Incentive Plan, including those relating to the change of control and protection against dilution. The administrative and procedural provisions of the 2013 Non-Employee Director Plan were not incorporated into the Amended and Restated Plan.

Purpose

The purpose of the Amended and Restated Plan is to continue to promote the long-term success of the Company and create value for its stockholders. The Amended and Restated Plan is intended to:

- encourage employees to focus on long-range objectives;
- help the Company attract and retain employees and non-employee directors with exceptional qualifications; and
- further align employees' and non-employee directors' interests with those of the Company's other stockholders through compensation that is based on its Common Stock.

Eligibility

Employees of the Company (including employees of our subsidiaries or affiliates) and each member of our Board of Directors who is not an employee of the Company or any of our subsidiaries are eligible to receive awards under the Amended and Restated Plan.

Shares Subject to the Amended and Restated Plan

The Amended and Restated Plan combines into a common pool of Common Stock the shares subject to each Original Plan. No further awards will be made under the Original Plans upon the effectiveness of the Amended and Restated Plan, and the remaining shares available for future awards under the Original Plans will be reserved for issuance under the Amended and Restated Plan. Awards already granted under the Original Plans shall continue to be administered under the Original Plans until such time as those options are exercised, expired or become unexercisable for any reason.

Under the Amended and Restated Plan, subject to adjustment, total awards that may be issued or transferred (i) upon the exercise of options or stock appreciation rights, (ii) as restricted shares and released from outstanding risks of forfeiture thereof, (iii) in payment of stock units, (iv) in payment of performance cash awards that have been earned, (v) in payment of restricted shares granted in satisfaction of any portion of the annual bonuses payable in Common Stock under any employment agreement between the Company and certain of its officers and under its bonus programs for other employees ("Bonus Awards"), or (vi) in payment of dividend equivalents paid with respect to awards made under the Amended and Restated Plan are limited to a maximum of 1,438,258 shares of Common Stock, which will be immediately available for issuance under the Amended and Restated Plan, less any shares that as of May 4, 2017 are subject to outstanding awards under any Original Plan. These shares may be shares of original issuance or treasury shares.

The aggregate number of shares of Common Stock available under the Amended and Restated Plan issued to participants that may be issued with respect to options and stock appreciation rights, including upon the exercise of incentive stock options, over its life shall not exceed half of the number of shares of Common Stock subject to the Amended and Restated Plan, in each case subject to adjustment, less any shares that as of May 4, 2017 are subject to outstanding awards under any Original Plan.

The aggregate number of shares of Common Stock and restricted shares issued to all participants pursuant to all awards of restricted shares and stock units made under the Amended and Restated Plan over its life shall not exceed half of the shares of Common Stock subject to the Amended and Restated Plan, in each case subject to adjustment, less any shares that as of May 4, 2017 are subject to outstanding awards under any Original Plan. As of May 4, 2017, there were 311,477 restricted stock units or restricted shares and 311,477 options issued under the 2016 Long-Term Incentive Plan and 16,213 restricted shares issued under the 2013 Non-Employee Director Plan. Under the Amended and Restated Plan, Common Stock available under the Amended and Restated Plan may be issued to fund all or any portion of the annual bonuses provided for under any employment agreement or bonus program.

The aggregate number of shares of Common Stock available for issuance or transfer under the Amended and Restated Plan is reduced by (i) one (1) share of Common Stock for every one (1) share of Common Stock subject to an option or stock appreciation right granted under the Amended and Restated Plan and (ii) one (1) share of Common Stock for every one (1) share of Common Stock issued or transferred in connection with an award other than an option or stock appreciation right granted under the Amended and Restated Plan. Subject to the paragraph below and the Amended and Restated Plan, shares of Common Stock covered by an award granted under the Amended and Restated Plan will not be counted as used unless and until they are actually issued or transferred.

The following shares of Common Stock are not added to the aggregate number available for issuance or transfer: (i) shares of Common Stock tendered or otherwise used in payment of the exercise price of an option; (ii) shares of Common Stock withheld or otherwise used by the Company to satisfy a tax withholding obligation; (iii) shares of Common Stock subject to a stock appreciation right that are not actually issued in connection with its settlement of shares of Common Stock on exercise of the award; and (iv) shares of Common Stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options. If a participant has elected to give up the right to receive compensation in exchange for shares of Common Stock based on fair market value, the shares of Common Stock will not count against the maximum shares of Common Stock available under the Amended and Restated Plan. Any shares of Common Stock that become available for issuance or transfer under the Amended and Restated Plan will be added back as (i) one (1) share of Common Stock if such share was subject to an option or stock appreciation right granted under the Amended and Restated Plan, and (ii) as one (1) share of Common Stock if such share was issued or transferred pursuant to an award granted under the Amended and Restated Plan other than an option or stock appreciation right granted under the 2016 Long-Term Incentive Plan. If an award under the Amended and Restated Plan is forfeited or is settled in cash, the subject shares will again be available for grant under the Amended and Restated Plan.

In the event of a subdivision of our outstanding shares of Common Stock, stock split, reverse stock split, a declaration of a dividend payable in shares of Common Stock, or a combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a lesser number of shares, or an exchange of shares, the maximum number of shares of Common Stock remaining available for awards under the Amended and Restated Plan, the numbers of shares subject to outstanding awards, the exercise prices under outstanding awards and the limits on awards will be proportionately adjusted automatically, without the necessity for Committee action, to prevent dilution or enlargement of benefits under the Amended and Restated Plan. In the event of a declaration of an extraordinary dividend payable in a form other than Common Stock in an amount that has a material effect on the price of our Common Stock, a capitalization, a spin-off, any other change in the Common Stock that otherwise would result from any split-off, spin-out, split-up or a similar occurrence, issuance of rights or warrants to purchase securities or any other corporate transaction or event having an effect similar to any of the foregoing, the Committee will make such adjustments to the foregoing as it deems appropriate in its sole discretion. Moreover, in the event of any such transaction or event or in the event of a change in control, the Committee shall provide in substitution for any outstanding awards under the Amended and Restated Plan such alternative consideration (including cash), if any, as it determines to be equitable in the circumstances and may require the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each stock option or stock appreciation right with an exercise price greater than the consideration offered in connection with any such transaction or event or change in control, the committee may elect to cancel such stock option or stock appreciation right. Any such adjustment to the specified number of ISOs will be made only if and to the extent that such adjustment would not cause any option intended to qualify as an ISO to fail to so qualify.

Bonus Awards for 2016

Under the terms of the amended and restated employment agreements with Jeff Hastings, Brian Beatty, Brent Whiteley, Mike Scott, Darin Silvernagle, and Ryan Abney, as well as under bonus programs for other employees \$3,900,109 of bonus payments are required to be issued to such employees for 2016 and the Compensation Committee has determined that one-third of such \$3,900,109 amount shall be issued under the Amended and Restated Plan as soon as administratively practicable after receipt by the Company of stockholder approval of the Amended and Restated Plan and the effectiveness of stockholder approval of the Amended and Restated Plan, in the form of restricted shares, on the terms and subject to the conditions set forth in the Amended and Restated Plan.

Administration

The Amended and Restated Plan is administered by the Compensation Committee. The Board of Directors may delegate to a committee of two or more non-employee directors who are also “outside directors” as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) and “nonemployee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) when granting awards to a “covered employee” within the meaning of Section 162(m) (3) of the Code who is then subject to Section 16 of the Exchange Act.

Our Board of Directors may (a) delegate to a committee of one or more members of the Board of Directors who are not “outside directors” the authority to grant awards to eligible persons who are either (i) not then “covered employees” and are not expected to be

“covered employees” at the time of recognition of income resulting from such award or (ii) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code or (b) delegate to a committee of one or more members of the Board of Directors who are not “nonemployee directors” the authority to grant awards to eligible persons who are not then subject to Section 16 of the Exchange Act. The Board of Directors may also appoint one or more directors and/or the chief executive officer to make grants of awards to employees who are not executive officers under Section 16 of the Exchange Act.

Subject to the Company’s obligations pursuant to any applicable employment agreements, the Committee has the authority to interpret and construe all provisions of Amended and Restated Plan and to make all decisions and determinations relating to the operation of the Amended and Restated Plan, including the authority and discretion to:

- select the individuals to receive awards;
- determine the type, number, vesting requirements, and other features and conditions of the awards;
- interpret and administer the Amended and Restated Plan;
- make all other decisions relating to the operation of the Amended and Restated Plan and reconcile any inconsistency in, correct any defect in and/or supply any omission in the Amended and Restated Plan; and
- carry out any other duties delegated to it by the Board of Directors under the Amended and Restated Plan.

Duration

The Amended and Restated Plan will become effective twenty calendar days after this Information Statement is first sent or given to our stockholders. The Amended and Restated Plan will continue in effect until the date when the Amended and Restated Plan is terminated by our Board of Directors as provided in the Amended and Restated Plan, provided, however, that no incentive stock options, or “ISOs,” may be granted after the date that is ten (10) years after September 4, 2016.

Award Agreements

The terms and conditions of each award made under the Amended and Restated Plan will be outlined in a written award agreement between the Company and the participant.

Types of Awards

The Amended and Restated Plan provides for the following types of awards:

- stock options;
- stock appreciation rights;
- restricted shares;
- stock units; and
- performance cash awards.

Stock Options . The Committee may from time to time award stock options to any eligible participant. Stock options give the holder the right to purchase shares of Common Stock within a specified time at a specified price. Two types of stock options may be granted under the Amended and Restated Plan: ISOs, which are subject to special U.S. tax treatment as described below, and nonstatutory options, or “NSOs.” Only NSOs may be granted to non-employee directors. As specified in the applicable award agreement, awards

of stock options may be subject to vesting conditions, may provide for accelerated exercisability, including in the event of the optionee's death, disability, or retirement or other events, and may provide for expiration in the event the optionee ceases to be an employee. The exercise price of a stock option shall be the fair market value (as defined in the Amended and Restated Plan) of a share of Common Stock at the time of grant as determined by the Committee unless the option is being granted in substitution for an outstanding option as part of a corporate transaction (such as a merger). Notwithstanding, if an ISO is granted to a person who, at the time of grant, owns Common Stock possessing more than 10% of the total combined voting power of all classes of our voting stock, such ISO cannot have an exercise price less than 110% of the fair market value of a share of Common Stock at the time of grant and cannot expire more than five (5) years after the date of the original grant.

Upon exercise, the exercise price of a stock option may be paid in cash or cash equivalents or, at the discretion of the Committee, by the surrender of Common Stock already owned by the optionee, by delivering an irrevocable instruction directing a securities broker to sell all or part of the shares being purchased, by delivering a full recourse promissory note (unless such optionee is an executive officer or director), or by making payment in any other form consistent with applicable law. Except as otherwise provided in the Amended and Restated Plan, and except as described in an award agreement for MIP Shares that are granted in the form of stock options designated as NSOs, no grant of options can become exercisable sooner than after one (1) year. The expiration dates of options cannot be more than ten (10) years after the date of the original grant. The Committee may offer to buy out an outstanding stock option for cash or cash equivalents or authorize an optionee to elect to cash out an outstanding option provided that cash payments shall not exceed the fair market value less the exercise price. Prior to the issuance of shares of Common Stock upon the exercise of a stock option, no right to vote or receive dividends or any other rights as a stockholder will exist for the underlying shares.

The aggregate number of shares of Common Stock that may be issued or transferred by the Company upon the exercise of ISOs will not exceed half of the number of shares of Common Stock subject to the Amended and Restated Plan. If a participant awarded an ISO under the Amended and Restated Plan makes a disqualifying disposition of such shares (which is a disposition (including any sale) within two (2) years after the date of the grant or within one (1) year after the date of exercise), the participant must notify the Company in writing immediately following the disposition, and the Company may, if determined by the Committee, retain possession, as agent for the participant, of any Common Stock acquired as a result of the exercise of an ISO until the end of the period described above, subject to complying with any instruction from the participant as to the sale of such the Common Stock.

Stock Appreciation Rights . The Committee may grant stock appreciation rights under the Amended and Restated Plan; provided that no grant of stock appreciation rights may become exercisable sooner than after one (1) year. A stock appreciation right entitles the holder upon exercise to receive an amount in shares of Common Stock, cash or a combination thereof (as determined by the Committee), computed by reference to appreciation in the value of our Common Stock. Stock appreciation rights may be granted alone or in tandem with a stock option. As specified in the applicable award agreement, awards of stock appreciation rights may be subject to vesting conditions, may provide for accelerated exercisability, including in the event of the holder's death, disability, or retirement or other events, and may provide for forfeiture in the event the holder ceases to be an employee or director. The exercise price of a stock appreciation right cannot be less than 100% of the fair market value of a share of Common Stock on the date of grant. Upon exercise, the holder of a stock appreciation right will receive shares of Common Stock, cash, or a combination of both, as the Committee shall determine. Prior to the issuance of shares of Common Stock upon the exercise of a stock appreciation right, no right to vote or receive dividends or any other rights as a stockholder will exist for the underlying shares.

Restricted Shares . A grant of restricted shares involves the immediate transfer by us to a participant of ownership of a specific number of shares of Common Stock in consideration of the performance of services. The Committee may grant restricted shares of Common Stock to eligible participants, in the amounts, and subject to the terms and conditions as the Committee determines in its discretion, including in connection with equity-based compensation payable under any employment agreements and other bonus programs for its employees, in each case as specified in an applicable restricted shares award agreement. Such award agreement may provide for accelerated vesting of the restricted shares, including in the event of the participant's death, disability or other events. Awards of restricted shares of Common Stock may be made in exchange for services or other lawful consideration and may or may not be contingent on the satisfaction of performance targets. Except as otherwise described in an applicable award agreement, a Bonus Award, or in the Amended and Restated Plan, no grant of restricted shares will have the restrictions eliminated for a period of time shorter than three (3) years if based only on the passage of time rather than performance targets, except that the restrictions may be removed ratably during the three-year period as determined by the Committee. Awards of restricted shares may be subject to vesting conditions and to the attainment of performance criteria as specified in the applicable award agreement. If the award is intended to satisfy the requirements of Section 162(m) of the Code, such performance target will be based on one or more criteria as specified in Amended and Restated Plan and may be subject to other restrictions as applicable. Any conditions to vesting and performance criteria may be waived in the event of a change in control of the Company, or the holder's death or disability.

Subject to any restrictions, conditions and forfeiture provisions placed on such restricted shares by the Committee, any recipient of an award of restricted shares will have all the rights of a stockholder of the Company, including the right to vote the shares and dividend rights. However, the award agreement may require that dividends be accumulated and paid when the restricted shares vest, be issued

as additional restricted shares or be paid currently to the holder. Any dividends not paid currently will be subject to the same conditions and restrictions, including the risk of forfeiture, as the related award; provided, however, that dividend equivalents or other distributions on shares of Common Stock underlying restricted shares with restrictions that lapse as a result of achievement of performance targets will be deferred until and paid contingent upon the achievement of applicable performance targets.

Stock Units . A grant of stock units constitutes an agreement by us to deliver shares of Common Stock or cash to the participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions during the restriction period as the Committee may specify. The Committee may grant units having a value equal to an identical number of shares of Common Stock to such eligible participants, in such amounts, and subject to such terms and conditions as the Committee determines in its discretion. Awards of stock units, other than awards of stock units that are MIP Shares, may be subject to vesting conditions and to the attainment of performance criteria as specified in the applicable award agreement. Such stock units award agreement may provide for accelerated vesting of the stock units, including in the event of the participant's death, disability or other events. Except as otherwise provided in the Amended and Restated Plan and except as described in an award agreement for MIP Shares that are granted in the form of stock units, no grant of stock units will have the restrictions eliminated for a period of time shorter than three (3) years if based only on the passage of time rather than performance targets, except that the restrictions may be removed ratably during the three-year period as determined by the Committee. If the stock units (other than the stock units that are MIP Shares) specify that the period of restriction will terminate only upon the achievement of performance targets or that the stock units will be earned based on the achievement of performance targets, then, notwithstanding anything to the contrary contained in this paragraph, the period of restriction may not be less than one (1) year. Other than with respect to the stock units that are MIP Shares, the Committee may include as vesting conditions or as conditions for any award of stock units the requirement that the performance of the Company or a business unit of the Company for a specified period (not less than one (1) year) equal or exceed a target determined in advance by the Committee. If the award of stock units is intended to satisfy the requirements of Section 162(m) of the Code, such target will be based on one or more of the criteria set forth in the Amended and Restated Plan and may be subject to other restrictions as applicable. Any conditions to vesting and/or performance target may be waived in the event of a change in control of the Company, or the participant's death or disability.

If the requirements specified by the Committee are met, then on the designated settlement date, the holder of such units will receive shares of Common Stock, cash or any combination thereof, equal to the fair market value of the corresponding number of shares of Common Stock. Payment of such amount may be deferred until a later date. Stock units awarded under the Amended and Restated Plan may include a right to receive dividend equivalents, which would entitle the holder of a stock unit to receive a credit for the amount equal to the dividends paid on an equal number of shares of our Common Stock while the stock unit is outstanding. If the stock units become vested, dividend equivalents are settled in the same manner as stock units and, prior to distribution, any dividend equivalents that are not paid are subject to the same terms and conditions as the stock units to which they attach; provided, however, that dividend equivalents or other distributions on shares of Common Stock underlying stock units with restrictions that lapse as a result of achievement of performance targets will be deferred until and paid contingent upon the achievement of applicable performance targets. Prior to an issuance of shares of Common Stock in settlement of a stock unit, no right to vote as a stockholder will exist with respect to the underlying shares.

A holder of stock units will have no rights other than those of a general creditor of the Company. Stock units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable stock units award agreement.

Performance Cash Awards . The Committee may grant cash awards contingent on the satisfaction of certain performance targets intended to satisfy the requirements of Section 162(m) of the Code. The Committee shall include as a condition for performance cash awards the requirement that the performance of the Company or a business unit of the Company for a specified period (not less than one (1) year) equal or exceed a target determined in advance by the Committee. The Committee will determine such performance metrics. If the award is intended to satisfy the requirements of Section 162(m) of the Code, such target will be based on one or more of the criteria set forth in the Amended and Restated Plan. Any conditions to vesting or performance criteria may be waived in the event of a change in control of the Company, or the holder's death or disability. If the requirements specified by the Committee are met, the award will be paid to the holder in cash. The form and timing of payment of performance cash awards shall satisfy the requirements of Section 409A of the Code in form and operation. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. A holder of an unpaid performance cash award shall have no rights other than those of a general creditor of the Company. Unpaid performance cash awards represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable performance cash award agreement.

Performance Goals

The Committee, in its discretion, may designate any restricted shares, stock units (other than stock units that are MIP Shares) or performance cash award granted under the Amended and Restated Plan as a qualified performance-based award (as defined in the Amended and Restated Plan) in order to make the taxable compensation amount of the award fully deductible without regard to the \$1,000,000 compensation deduction limit imposed by Section 162(m) of the Code. If an award is so designated, the Committee must

establish objectively determinable performance goals for the award which may be (i) described in terms of Company-wide objectives or objectives that are related to the performance of the individual participant or of one or more of the subsidiaries, divisions, departments, regions, functions or other organizational units within the Company or its subsidiaries; (ii) made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies; and (iii) made relative to an index or one or more of the performance objectives. Such business criteria could include the following:

- revenue (or any sub-component thereof)
- revenue growth
- operating costs
- operating margin as a percentage of revenue
- earnings before interest, taxes, depreciation, and amortization
- earnings before income taxes
- net operating profit after taxes
- net income
- net income as a percentage of revenue
- free cash flow
- earnings per share
- net operating profit after taxes per share
- free cash flow per share
- return on net assets employed before interest and taxes
- return on equity, investment, invested capital, net capital employed, assets, or net assets
- total stockholder return or relative total stockholder return (as compared with one of the Company's peer groups)
- safety performance metrics, including relative to industry standards
- strategic team goals

Section 162(m)

The Amended and Restated Plan is also intended to enable the Company to structure certain awards so that they may be able to qualify as “qualified performance-based compensation” under Section 162(m) of the Code. If the equity awards qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code, then the Company would generally be able to receive a federal income tax deduction for certain compensation paid to its chief executive officer and the other three most highly compensated

executive officers (other than its chief financial officer) in excess of \$1 million for any taxable year. While the Company believes it is in the best interests of the Company and its stockholders to have the ability to potentially grant “qualified performance-based compensation” under Section 162(m) of the Code, the Company may decide to grant compensation that will not qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code. Moreover, even if the Company intends to grant compensation that qualifies as “qualified performance-based compensation” for purposes of Section 162(m) of the Code, the Company cannot guarantee that such compensation will so qualify or ultimately will be deductible by the Company.

With respect to performance awards, in order to satisfy the “qualified performance-based compensation” exception to the deduction limitation of Section 162(m) of the Code, the vesting of the award must be contingent solely on the attainment of one or more performance goals determined by a committee of two or more outside directors. The award must also be granted pursuant to a stockholder approved plan containing (1) the material terms of the performance criteria pursuant to which the performance goals may be established, (2) the individuals eligible to receive awards under the plan, and (3) a specified limit on the number of shares or value a participant may receive within a certain time period or periods. Stockholder approval of the Amended and Restated Plan was intended to satisfy the stockholder approval requirements under Section 162(m) of the Code.

In particular, the Amended and Restated Plan includes a list of performance measures upon which the Compensation Committee must condition a grant or vesting of a “qualified performance-based award” pursuant to the Amended and Restated Plan, which measures are to be based on one or more of the performance targets set forth above.

Limitations on Grants in the Amended and Restated Plan

Subject to adjustment as described above the maximum number of shares of Common Stock or amount of cash subject to each type of award that may be granted under the Amended and Restated Plan in any calendar year to any one person is as follows:

Stock Options	100,000
Stock Appreciation Rights	100,000
Restricted Shares (that are intended to qualify as “qualified performance-based compensation” under Section 162(m) of the Code, in the aggregate)	100,000
Stock Units (that are intended to qualify as “qualified performance-based compensation” under Section 162(m) of the Code, in the aggregate)	100,000
Performance Cash Awards (that are intended to qualify as “qualified performance-based compensation” under Section 162(m) of the Code, in the aggregate)	\$ 1,200,000

The Company has submitted the Amended and Restated Plan to the Consenting Stockholders for their approval, including the performance measures and individual grant limits under the Amended and Restated Plan, as well as the individuals eligible to receive awards under the Amended and Restated Plan, so that options granted under the Amended and Restated Plan may qualify for treatment as incentive stock options, as well as to have the flexibility to potentially grant performance-based awards under the Amended and Restated Plan that may be fully deductible for federal income tax purposes. The approval of the Consenting Stockholders of the Amended and Restated Plan and the material terms for qualified performance-based compensation under the Amended and Restated Plan will take effect on the twentieth (20th) day following the date the Information Statement is first sent or given to stockholders. Assuming that all other Section 162(m) requirements are met, the Company may be able to obtain tax deductions with respect to awards issued under the Amended and Restated Plan to its Section 162(m) executive officers without regard to the limitations of Section 162(m) through the 2022 annual meeting of stockholders (in other words, for five years).

Transferability of Awards

Awards made under the Amended and Restated Plan will generally not be transferable, except in the event of the death of the participant or as otherwise determined by the Committee. However, the Committee may authorize all or a portion of any award (other than ISOs) to be granted on terms which permit transfer by the participant to the spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers or grandchildren of the participant and to certain trusts, partnerships or limited liability companies owned by or related to the participant. Following transfer, any such awards will continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

Change in Control; Reorganizations

An award agreement may provide, or the Committee may amend an award agreement to provide, that, upon a change in control of the Company, the award will vest or become exercisable. A “change in control,” unless otherwise defined, includes any of the following events that occurs after the closing date:

- a change in the composition of the Board of Directors such that a majority of the Board of Directors consists of individuals other than directors (i) serving on the Board of Directors as of the effective date of the Amended and Restated Plan, or (ii) nominated or appointed to the Board of Directors by at least 50% of those directors or directors who become incumbents by virtue of such a nomination or appointment, whom the Company sometimes refers to as “incumbent directors”;
- a reorganization, merger, consolidation, share exchange or other business combination involving the Company or any of its subsidiaries, or a disposition of substantially all of the Company’s assets, or the Company’s acquisition of the assets or stock of another entity, except where the Company’s beneficial holders prior to such transaction hold at least 50% of the combined voting power of the surviving entity, no person or group becomes a beneficial owner of 50% or more of the surviving company’s common stock or voting power, and incumbent directors continue to constitute a majority of the Board of Directors;
- at least 50% of the Common Stock has been acquired by one person or persons acting as a group; provided, however, that stock acquisition would not result in a change in control if it would not have been made a change in control under a business combination as defined in the Amended and Restated Plan; or
- the Company is liquidating or selling all or substantially all of its assets.

If the Company becomes a party to a merger or consolidation, all outstanding awards shall be subject to the agreement of merger or consolidation. The agreement of merger or consolidation may provide for one or more of the following with respect to all awards outstanding under the Amended and Restated Plan:

- the continuation of such outstanding awards (if the Company is the surviving corporation);
- the assumption of such outstanding awards by the surviving corporation or its parent, provided that the assumption of stock options or stock appreciation rights shall comply with Section 424(a) of the Code;
- the substitution by the surviving corporation or its parent of new awards for such outstanding awards, provided that the substitution of stock options or stock appreciation rights shall comply with Section 424(a) of the Code;
- full exercisability of outstanding stock options and stock appreciation rights and full vesting of the Common Stock subject to such stock options and stock appreciation rights, followed by their cancellation immediately prior to the closing of the merger;
- the cancellation of outstanding stock options and stock appreciation rights and a payment to the optionees equal to the excess of (i) the fair market value of the Common Stock subject to such stock options and stock appreciation rights as of the closing date of such merger or consolidation over (ii) their exercise price;
- the cancellation of outstanding stock units and a payment to the holders equal to the fair market value of the Common Stock subject to such stock units as of the closing date of such merger or consolidation; or
- full vesting of the Common Stock subject to restricted share awards.

The foregoing, as well as the provisions of any award agreement providing for exercisability, transfer or accelerated vesting of any stock option, stock appreciation right, restricted shares or stock unit shall be inapplicable to an award granted within six (6) months before the occurrence of any other change in control, if the holder is subject to the reporting requirements of Section 16(a) of the Exchange Act and no exception from liability under Section 16(b) of the Exchange Act is available.

Stock-Based Awards in Substitution for Options or Awards Granted by Other Company

Awards may be granted under the Amended and Restated Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other stock or stock-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any subsidiary. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of the Amended and Restated Plan, and may account for shares of Common Stock substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

If the company acquired by or merged with the Company or any subsidiary has shares available under a pre-existing plan previously approved by stockholders and not adopted in contemplation of such acquisition or merger, the shares available for grant may be used for awards made after such acquisition or merger under the Amended and Restated Plan; provided, however, that awards using such available shares may not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any subsidiary prior to such acquisition or merger.

Any shares of Common Stock issued pursuant to the two paragraphs above will not reduce the shares of Common Stock available for issuance or transfer under the Amended and Restated Plan or count towards the limits, including the aggregate plan limit of the Amended and Restated Plan.

Awards Under Other Plans

The Company may grant awards under other plans or programs which may be settled in the form of shares of Common Stock issued under the Amended and Restated Plan. Those shares will be treated as shares of Common Stock issued in settlement of stock units under the Amended and Restated Plan and will reduce the maximum number of shares available under the Amended and Restated Plan.

Amendment and Termination

Our Board of Directors may, at any time, amend or terminate the Amended and Restated Plan without stockholder approval unless, in the case of an amendment, (i) the amendment materially increase the benefits accruing to participants under the Amended and Restated Plan, (ii) the amendment would materially increase the number of securities issuable under the Amended and Restated Plan, (iii) the amendment would materially modify the requirements for participation in the Amended and Restated Plan, or (iv) applicable law or stock exchange rules would otherwise require stockholder approval. Subject to adjustment as described in the Amended and Restated Plan, no amendment or termination may affect the rights of any participant under any award previously granted under the Amended and Restated Plan without the participant's consent. All outstanding awards will terminate immediately before our dissolution or liquidation.

Except in connection with a corporate transaction or event described under the Amended and Restated Plan, the terms of outstanding awards may not be amended without stockholder approval to affect outstanding options or stock appreciation rights in a way that reduces their exercise price or cancels them in exchange for cash, other awards or options or stock appreciation rights with an exercise price that is less than the exercise price of the original options or stock appreciation rights. Repricing of "underwater" options and stock appreciation rights is not allowed.

If permitted by Section 409A and Section 162(m) of the Code, but subject to the terms described in the Amended and Restated Plan, the Committee may in the event of termination of employment by reason of death, disability or retirement, or in the case of unforeseeable emergency or other special circumstances or in the event of a change in control accelerate the time of exercise or the time of which risk of forfeiture or prohibition or restriction on transfer would lapse or end or may waive any other limitation or requirement for any not immediately exercisable awards other than for qualified performance-based awards where such actions could lead to the loss of exemption under Section 162(m) of the Code. The Committee may prospectively or retroactively amend the terms of any award except where such action would lead to loss of exemption under Section 162(m) (other than in connection with the participant's death, disability or change in control).

The summary of the Amended and Restated Plan set forth in this Item 5.02 does not purport to be complete and is qualified in its entirety by reference to the text of the Amended and Restated Plan, a form of which is being filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

10.1 Amended and Restated 2016 Long-Term Incentive Plan, adopted by the Board of Directors on May 4, 2017

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.

Date: May 10, 2017

SAExploration Holdings, Inc.

By: /s/ Brent Whiteley
Name: Brent Whiteley
Title: Chief Financial Officer, General Counsel and
Secretary

EXHIBIT INDEX

Exhibit No. Description

10.1 Amended and Restated 2016 Long-Term Incentive Plan, adopted by the Board of Directors on May 4, 2017

SAEXPLORATION HOLDINGS, INC.

Amended and Restated 2016 Long-Term Incentive Plan

(As Adopted May 4, 2017)

ARTICLE 1 INTRODUCTION AND HISTORY.

The Plan was adopted by the Board on May 4, 2017, subject to approval by the Company's stockholders, to be effective immediately upon the effectiveness of such stockholder approval.

On August 13, 2013, the Board approved and adopted, subject to effectiveness, the 2013 Non-Employee Director Plan. Approval of the 2013 Non-Employee Director Plan was achieved by written consent of the holders of 6,772,064 shares of the Company's common stock (directly and through voting proxies), representing a majority of the shares entitled to vote, on August 19, 2013. Stockholder approval of the 2013 Non-Employee Director Plan became effective on November 1, 2013, after the filing of an Information Statement with respect to the 2013 Non-Employee Director Plan on Schedule 14C with the Securities and Exchange Commission (the "SEC"). Effective August 3, 2016, the Board approved, subject to approval of the Company's stockholders, an amendment to the 2013 Non-Employee Director Plan to increase the number of shares available for issuance under the plan from 2,962 shares (which was 400,000 shares prior to the 135-for-1 reverse stock split of our common stock, which was effected on July 27, 2016), to 400,000. Approval of the amendment to the 2013 Non-Employee Director Plan was achieved by vote of the holders of 4,278,419 shares of our common stock (directly and through voting proxies), representing a majority of the shares entitled to vote, at our 2016 annual meeting of stockholders held on November 3, 2016.

On August 3, 2016, our Board of Directors approved and adopted, subject to effectiveness, the 2016 Long-Term Incentive Plan. On August 4, 2016, the Company received written consents from the holders of a majority of the shares of common stock outstanding approving and adopting, subject to effectiveness, the 2016 Long-Term Incentive Plan. The 2016 Long-Term Incentive Plan became effective on September 4, 2016, after the filing of an Information Statement with respect to the 2016 Long-Term Incentive Plan on Schedule 14C with the SEC.

The Plan combines and replaces the Original Plans and continues to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees and Non-Employee Directors to focus on long-range objectives, (b) encouraging the attraction and retention of Employees and Non-Employee Directors with exceptional qualifications, and (c) linking Employees and Non-Employee Directors directly to stockholder interests through increased stock ownership. The only Common Shares subject to the Plan are those Common Shares currently subject to the Original Plans; no additional shares will be issued under or be subject to the Plan. The Plan provides the Company with increased flexibility to grant different types and specific terms of equity awards to Employees in the form of Restricted Shares, Stock Units, Options (which may be ISOs or NSOs), Performance Cash Awards and SARs and to Non-Employee Directors in the form of Restricted Shares and NSO Options.

The Awards granted under the Original Plans shall continue to be administered under the Original Plans until such time as those Awards are exercised, expire or become unexercisable for any reason. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

ARTICLE 2 ADMINISTRATION.

2.1 Committee Composition . The Committee shall administer the Plan. Except as otherwise determined by the Board, the Committee shall consist solely of two or more Non-Employee Directors who are also Outside Directors. The Board shall have discretion to determine whether or not it intends to comply with the exemption requirements of Rule 16b-3 of the Exchange Act and/or Section 162(m) of the Code. However, if the Board intends to satisfy such exemption requirements, the Committee shall be a committee of the Board that at all times consists solely of two or more Non-Employee Directors who are also Outside Directors. Within the scope of such authority, the Board or the Committee may (a) delegate to a committee of one or more members of the Board who are not Outside Directors the authority to grant Awards to eligible Employees who are either (i) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award or (ii) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code or (b) delegate to a committee of one or more members of the Board who are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more Non-Employee Directors who are also Outside Directors.

2.2 Committee Responsibilities . Subject to the Company's obligations pursuant to any applicable employment agreements, the Committee shall: (a) select the Employees who are to receive Awards under the Plan, including any Employees eligible to receive Common Shares in payment of all or any portion of the annual bonuses payable in Common Shares under any employment agreement between the Company and certain of its officers and under its bonus programs for other Employees; (b) determine the type, number, vesting requirements, and other features and conditions of such Awards; (c) interpret and administer the Plan; (d) make all other decisions relating to the operation of the Plan and reconcile any inconsistency in, correct any defect in and/or supply any omission in this Plan; and (e) carry out any other duties delegated to it by the Board under the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final, conclusive and binding on all persons. The Board may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Board in the engagement of such counsel, consultant or agent shall be paid by the Company.

2.3 Non-Executive Officer Grants . The Board may appoint a single Director, an additional committee of Directors and/or the Company's Chief Executive Officer instead of the Committee to determine Awards for Employees who are not Executive Officers of the Company. The single Director, the members of the additional committee, and/or the Company's Chief Executive Officer need not satisfy the requirements of Section 2.1. Such Director, committee, or the Company's Chief Executive Officer may grant Awards under the Plan to such Employees. However, the Committee shall nevertheless, subject to the Company's obligations pursuant to any applicable employment agreements, prescribe the terms, features, and conditions of such Awards and the aggregate number of Common Shares subject to such Awards. Within the limitations of this Section 2.3, any reference in the Plan to the Committee shall include any such single Director, additional committee, and/or the Company's Chief Executive Officer to whom the Board has delegated the required authority under this Section 2.3.

2.4 Executive Officer Grants and Bonus Awards . The Committee shall determine Awards for Executive Officers and for Employees who are eligible to receive Common Shares as Bonus Awards in payment of all or any portion of the annual bonuses payable in Common Shares under any employment agreement between the Company and certain of its officers and under its bonus programs for other Employees.

2.5 Non-Employee Director Awards . The Board or the Committee shall determine Awards of Restricted Shares or NSO Options for Non-Employee Directors.

2.6 Compliance with Section 409A .

(a) To the extent applicable, it is intended that the Plan shall comply and that Awards shall be designed, granted and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code ("Section 409A"). Any reference in this Plan to Section 409A will also include any regulations or any other formal guidance promulgated with respect to such Section by the U. S. Department of the Treasury or the Internal Revenue Service. If the Committee determines that an Award, payment, distribution, deferral election, transaction, or any other action or arrangement contemplated by the provisions of the Plan would, if undertaken or implemented, cause a holder to become subject to additional taxes under Section 409A, then unless the Committee specifically provides otherwise, such Award, payment, distribution, deferral election, transaction or other action or arrangement shall not be given effect to the extent it causes such result and the related provisions of the Plan and/or Award Agreement will be deemed modified or, if necessary, suspended in order to comply with the requirements of Section 409A to the extent determined appropriate by the Committee, in each case without the consent of or notice to the holder. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties. The exercisability of an Option shall not be extended to the extent that such extension would subject the holder to additional taxes under Section 409A. Each payment subject to Section 409A shall be considered a separate payment and not one of a series of payments for purposes of Section 409A.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its Subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A), (i) the Participant will be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the earlier of (A) the tenth (10th) business day of the seventh (7th) month after such separation from service, and (B) the date of the Participant's death.

2.7 Foreign Awardees . In order to facilitate the making of any grant or combination of grants under this Plan, and subject to the Company's obligations pursuant to any applicable employment agreements, the Committee may grant Awards to eligible persons who are foreign nationals or who are employed by the Company or any Subsidiary outside the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, on such terms and conditions different from those specified in this Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the provisions of laws and regulations in other countries or jurisdictions in which the Company or its Subsidiaries operate, and the Secretary of the Company or other appropriate officer may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, modifications, amendments, procedures or subplans, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

ARTICLE 3 SHARES AVAILABLE FOR GRANTS.

3.1 Basic Limitation .

(a) Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares that may be issued or transferred (i) upon the exercise of Options or SARs, (ii) as Restricted Shares and released from outstanding risks of forfeiture thereof, (iii) in payment of Stock Units, (iv) in payment of Performance Cash Awards that have been earned, (v) in payment of Bonus Awards, or (vi) in payment of dividend equivalents paid with respect to Awards made under the Plan shall not exceed 1,438,258 Common Shares, subject to Section 3.2, less any shares that as of May 4, 2017 are subject to outstanding Awards under any Original Plan. The number of Common Shares that are subject to Awards outstanding at any time under the Plan shall not exceed the number of Common Shares that then remain available for issuance under the Plan. The

aggregate number of Common Shares available under the Plan issued to Participants that may be issued with respect to Options and SARs, including upon the exercise of ISOs, over its life shall not exceed half of the number of Common Shares subject to the Plan, in each case subject to Section 3.2, less any shares that as of May 4, 2017 are subject to outstanding Awards under any Original Plan. The aggregate number of Common Shares and Restricted Shares issued to all Participants pursuant to all Awards of Restricted Shares and Stock Units made under the Plan over its life shall not exceed half of the Common Shares subject to the Plan, in each case subject to Section 3.2, less any shares that as of May 4, 2017 are subject to outstanding Awards under any Original Plan. As of May 4, 2017, there were 311,477 Restricted Stock Units or Restricted Shares and 311,477 NSOs issued under the 2016 Long-Term Incentive Plan and 16,213 Restricted Shares issued under the 2013 Non-Employee Director Plan. The limitations of this Section 3.1 shall be subject to adjustment pursuant to Article 11.

(b) The aggregate number of Common Shares available for issuance or transfer under Section 3.1(a) of this Plan will be reduced by (i) one Common Share for every one Common Share subject to an Option or SAR granted under this Plan and (ii) one (1) Common Share for every one Common Share issued or transferred in connection with an Award other than an Option or SAR granted under this Plan. Subject to the provisions of Section 3.2 of this Plan, Common Shares covered by an Award granted under this Plan will not be counted as used unless and until they are actually issued or transferred. Common Shares available for issuance under the Plan shall be increased by any Common Shares subject to outstanding Awards under the Original Plans on the date of stockholder approval of the Plan that later cease to be subject to such Awards for any reason other than such Awards having been exercised, subject to adjustment from time to time as provided in Section 3.2, which Common Shares shall, as of the date such shares cease to be subject to such awards, cease to be available for grant and issuance under the Original Plans, but shall be available for issuance under the Plan.

3.2 Shares Returned to Reserve; Share Counting Rules .

(a) If Options, SARs, Restricted Shares, or Stock Units are forfeited or terminate for any other reason before being exercised or settled, then the Common Shares subject to such Options, SARs, Restricted Shares, or Stock Units shall again become available for issuance under the Plan and shall not be considered for purposes of determining any limitations on the issuance of Options, SARs, Restricted Shares, or Stock Units. If Restricted Shares or Common Shares issued upon the exercise of Options are reacquired by the Company pursuant to a forfeiture provision, then such Common Shares shall again become available for issuance under the Plan in accordance with Section 3.2(c) below. Performance Cash Awards shall not affect the aggregate number of Common Shares remaining available for issuance under the Plan.

(b) Notwithstanding anything to the contrary contained in this Article 3, the following Common Shares will not be added to the aggregate number of Common Shares available for issuance or transfer under Section 3.1 above: (i) Common Shares tendered or otherwise used in payment of the Exercise Price of an Option; (ii) Common Shares withheld or otherwise used by the Company to satisfy a tax withholding obligation; (iii) Common Shares subject to a SAR that are not actually issued in connection with its Common Shares settlement on exercise thereof; and (iv) Common Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options. In addition, if, under this Plan, a Participant has elected to give up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will not count against the aggregate plan limit under Section 3.1 above.

(c) Any Common Share that becomes available for issuance or transfer under this Plan will be added back as (i) one Common Share if such share was subject to an Option or SAR granted under this Plan, and (ii) as one (1) Common Share if such share was issued or transferred pursuant to, or subject to, an Award granted under this Plan other than an Option or an SAR granted under this Plan.

3.3 Uncertificated Shares . To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of Common Shares, the issuance may be effected on an un-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange on which the Company's equity securities are traded.

3.4 Limited Transferability . Awards shall generally be nontransferable except in the case of the Participant's death, or as otherwise determined by the Committee, and the Stock Option Agreement, SAR Agreement, Restricted Shares Agreement, Stock Units Agreement or Performance Cash Award Agreement entered into with respect to any Award shall generally provide for such nontransferability. The Committee may, however, in its discretion, authorize all or a portion of any Award (other than of ISOs) to be granted on terms that permit transfer by the Participant to (i) the spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, or grandchildren of the Participant, (ii) a trust or trusts for the exclusive benefit of the Participant and the spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, or grandchildren of the Participant, or (iii) a partnership or limited liability company in which the Participant and the spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, or grandchildren of the Participant are the only partners or members, as applicable; provided in each case that (x) there may be no consideration for any such transfer (other than in the case of Clause (iii), units in the partnership or membership interests in the limited liability company), and (y) the agreement pursuant to which such Awards are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section 3.4. Following any such transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer. The provisions of the Award with respect to expiration, termination or vesting shall continue to apply with respect to the original Participant, and the Award shall be exercisable by the transferee only to the extent and for the periods specified herein with respect to the Participant. The original Participant will remain subject to withholding taxes upon exercise of any such Awards by the transferee. The Company shall have no obligation whatsoever to provide notice to any transferee of any matter, including early expiration or termination of an Award.

ARTICLE 4 ELIGIBILITY.

4.1 Incentive Stock Options . Only Employees of the Company, a Parent, or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or of any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the additional requirements set forth in Section 422(c)(5) of the Code are satisfied. Notwithstanding anything in Article 3, or elsewhere in this Plan, to the contrary and subject to adjustment as provided in Article 11 of this Plan, the aggregate number of Common Shares actually issued or transferred by the Company upon exercise of ISOs will not exceed 207,652 Common Shares.

4.2 Non-Qualified Stock Options and Restricted Shares . Employees and Non-Employee Directors shall be eligible for the grant of Restricted Shares and NSOs under this Plan. No Employee of an Affiliate will be eligible for the grant of an NSO if the Company is not an eligible issuer of service recipient stock with respect to such Employee under Treasury Regulation § 1.409A-1(b)(5)(iii)(E). Grants to Employees of Bonus Awards shall be made in Restricted Shares. No person shall be eligible for an Award unless Common Shares that might be transferred in connection with the Award can be registered using Form S-8 under the Securities Act of 1933, as amended. Any Non-Employee Director granted Restricted Shares or NSOs pursuant to the Plan may elect to decline such Restricted Shares or NSOs.

4.3 Other Grants . Only Employees shall be eligible for the grant of Stock Units, SARs or Performance Cash Awards under this Plan. No Employee of an Affiliate will be eligible for the grant of an SAR if the Company is not an eligible issuer of service recipient stock with respect to such Employee under Treasury Regulation § 1.409A-1(b)(5)(iii)(E). No person shall be eligible for an Award unless Common Shares that might be transferred in connection with the Award can be registered using Form S-8 under the Securities Act of 1933, as amended.

ARTICLE 5 OPTIONS.

5.1 Stock Option Agreement . Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company.

5.2 Subject to Plan . Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.3 Number of Shares . Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article 11. The total number of Options granted to any single Optionee in any single calendar year shall not cover more than 100,000 Common Shares. The limitations set forth in the preceding sentence shall be subject to adjustment in accordance with Article 11.

5.4 Exercise Price . Each Stock Option Agreement shall specify the Exercise Price, which shall be the Fair Market Value of a Common Share, as determined by the Committee. The preceding sentence shall not apply to Options granted pursuant to an assumption of, or substitution for, another option in a manner that would satisfy the requirements of Section 424(a) of the Code, whether or not such section is applicable.

5.5 Exercisability and Term . Each Stock Option Agreement shall specify the dates or events when all or any installment of the Option is to become exercisable; provided, that except as otherwise described in this Plan, no grant of Options may become exercisable sooner than after one (1) year. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability, including in the event of the Optionee's death, disability, or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service. Options granted under this Plan may not provide for any dividends or dividend equivalents thereon.

5.6 Termination of Directorship . Except as otherwise provided in the Award Agreement, if a Non-Employee Director's service as a director of the Company is terminated, any Option previously granted to such Non-Employee Director shall, to the extent then exercisable but not theretofore exercised, terminate and become null and void; provided, however, that, if the service of a Non-Employee Director holding an outstanding Option is terminated by reason of (A) such a Non-Employee Director's disability (as defined in Section 22(e)(3) of the Code) or death, or (B) the failure of such Non-Employee Director to be either nominated for re-election by the Company when he or she is otherwise eligible to serve as a Non-Employee Director, or to be re-elected by stockholders following nomination by the Company, such Option shall remain exercisable at any time up to and including three months after the date of such termination of service, and up to and including one year after the date of termination of service in the case of termination by reason of disability or death, but in no event shall such Option remain exercisable after the tenth anniversary of the date of grant.

5.7 Extension of Term . Except as otherwise provided in the Award Agreement, the term of exercise of any outstanding Option held by a former Non-Employee Director whose service as a director terminated on account of disability (as defined in Section 22(e)(3) of the Code) or on account of the failure of such former Non-Employee Director to be either nominated for re-election by the Company when he or she is otherwise eligible to serve as a Non-Employee Director, or to be re-elected by stockholders following nomination by the Company, and that have a remaining term of less than one year on the date of such Non-Employee Director's death shall automatically be extended to the earlier of the first anniversary of the date of death or the tenth anniversary of the date of grant.

5.8 Effect of Change in Control . The Committee may determine, at the time of granting an Option or thereafter, that such Option shall become exercisable as to all or part of the Common Shares subject to such Option in the event that a Change in Control occurs with respect to the Company or in the event that the Optionee's employment is terminated after a Change in Control. In addition, acceleration of exercisability may be required under Section 11.3.

5.9 Buyout Provisions . The Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish; provided that cash payments shall not exceed the Fair Market Value less the Exercise Price.

5.10 Notification Upon Disqualifying Disposition of an Incentive Stock Option . Each Participant awarded an ISO under this Plan shall notify the Company in writing immediately after the date the Participant makes a disqualifying disposition of any Common Shares acquired pursuant to the exercise of such ISO. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Shares before the later of (i) two (2) years after the date of grant of the ISO and (ii) one (1) year after the date of exercise of the ISO. The Company may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession, as agent for the applicable Participant, of any Common Shares

acquired pursuant to the exercise of an ISO until the end of the periods described in the preceding sentence, subject to complying with any instruction from such Participant as to the sale of such Common Shares.

ARTICLE 6 PAYMENT FOR OPTION SHARES.

6.1 General Rule . The Exercise Price of Common Shares issued upon exercise of Options shall be payable in full entirely in cash or cash equivalents at the time when such Common Shares are purchased, except that the Committee at its sole discretion may accept payment of the Exercise Price in any other form(s) described in this Article 6. However, if the Optionee is an Executive Officer or Director of the Company, he or she may pay the Exercise Price in a form other than cash or cash equivalents only to the extent permitted by Section 13(k) of the Exchange Act.

6.2 Surrender of Stock . With the Committee's consent, provided that the Company has an effective registration statement on Form S-8 (or its successor) covering the issuance of the Common Shares, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market Value on the date when the new Common Shares are purchased under the Plan.

6.3 Exercise/Sale . With the Committee's consent, all or any part of the Exercise Price, and any withholding taxes, may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company.

6.4 Promissory Note . With the Committee's consent, all or any part of the Exercise Price and any withholding taxes may, except in the case of an Executive Officer or a Director of the Company, be paid by delivering (on a form prescribed by the Company) a full-recourse promissory note.

6.5 Other Forms of Payment . With the Committee's consent, all or any part of the Exercise Price and any withholding taxes may be paid in any other form that is consistent with applicable laws and rules and regulations.

ARTICLE 7 STOCK APPRECIATION RIGHTS.

7.1 SAR Agreement . Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

7.2 Number of Shares . Each SAR Agreement shall specify the number of Common Shares to which the SAR pertains and shall provide for the adjustment of such number in accordance with Article 11. The total number of SARs granted to any single Participant in any single calendar year shall not cover more than 100,000 Common Shares.

7.3 Exercise Price . Each SAR Agreement shall specify the Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to SARs granted pursuant to an assumption of, or substitution for, another SAR in a manner that would satisfy the requirements of Section 424(a) of the Code if such section were applicable.

7.4 Exercisability and Term . Each SAR Agreement shall specify the dates or events when all or any installment of the SAR is to become exercisable; provided, no grant of SARs may become exercisable sooner than after one (1) year. The SAR Agreement shall also specify the term of the SAR. A SAR Agreement may provide for accelerated exercisability, including in the event of the Optionee's death, disability, or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. A SAR granted in combination with an ISO: (i) must be granted at the same time as the ISO to which it relates; (ii) must be exercisable only when the current Fair Market Value of Common Shares exceeds the ISO's exercise price and the ISO is otherwise exercisable; (iii) may not be transferrable except when and to the extent that the ISO is transferrable under Section 3.4 of the Plan; and (iv) must have economic and tax consequences upon exercise that are no more favorable than those upon the exercise of the ISO in combination with which it was granted followed by an immediate sale of the Common Shares that would be received upon such ISO's exercise. A SAR granted under the Plan not in combination with an ISO may provide that it will be exercisable only in the event of a Change in Control.

7.5 Effect of Change in Control . The Committee may determine, at the time of granting a SAR or thereafter, that such SAR shall become exercisable as to all or part of the Common Shares subject to such SAR in the event that the Company is subject to a Change in Control or in the event that the Optionee's employment is terminated after a Change in Control. In addition, acceleration of exercisability may be required under Section 11.3.

7.6 Exercise of SARs . Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death or under Section 3.4 of this Plan) shall receive from the Company: (a) Common Shares; (b) cash; or (c) a combination of Common Shares and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of Common Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Common Shares subject to the SARs exceeds the Exercise Price.

ARTICLE 8 RESTRICTED SHARES.

8.1 Restricted Shares Agreement . Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Shares Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Shares Agreements entered into under the Plan need not be identical.

8.2 Consideration for Awards . Restricted Shares shall be granted to Participants at no additional cost to them; provided, however, that the value of the services performed by any Participant receiving Restricted Shares must, in the opinion of the Committee, equal or exceed the par value of the Restricted Shares to be granted to such Participant.

8.3 Performance and/or Vesting Conditions . Each Award of Restricted Shares may or may not be contingent on the satisfaction of performance targets, or subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Shares Agreement for such vesting, if any, and such Restricted Shares Agreement may provide for accelerated vesting of the Restricted Shares, including in the event of the Participant's death, disability or other events; provided, that except as otherwise described in a Restricted Shares Agreement, for Bonus Awards, or otherwise described in this Plan, no grant of Restricted Shares shall have the restrictions eliminated for a period of time shorter than three (3) years if based only on the passage of time rather than performance targets, except that the restrictions may be removed ratably during the three-year period as determined by the Committee. The Committee may include as vesting conditions or as conditions for making an Award of Restricted Shares the requirement that the performance of the Company or a business unit of the Company for a specified period equal or exceed a target determined in advance by the Committee. The Committee shall determine such performance metrics. If the Award is intended to satisfy the requirements of Section 162(m) of the Code, such target shall be based on one or more of the criteria set forth in Appendix A. In no event shall the number of Restricted Shares subject to the Award and/or the vesting of which is or are subject to performance-based conditions intended to satisfy the requirements of Section 162(m) of the Code that are granted to any single Participant in a single calendar year exceed 100,000 Common Shares. The satisfaction of any performance target and/or vesting may be waived in the case of a Change in Control or the Participant's death or disability. The Company may retain the certificates representing shares of Restricted Stock in the Company's possession that have not vested until such time as all conditions or restrictions applicable to such shares, including any conditions or restrictions not constituting a substantial risk of forfeiture under Section 83 of the Code, are satisfied or have lapsed, and the Participant shall execute in favor of the Company a blank stock power with respect to such shares of Restricted Stock. Alternatively or additionally, the Company may cause such Restricted Shares to bear an appropriate legend indicating their nontransferability, forfeitability, and any additional restrictions placed on them.

8.4 Voting and Dividend Rights . The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend, and other rights as the Company's other stockholders. Any dividends or other distributions paid on Restricted Shares may, as specified by the Committee in the applicable Award, be (a) accumulated and paid when such Restricted Shares vest, (b) invested in additional Restricted Shares, or (c) paid currently to the holder. Any dividends not paid currently shall be subject to the same conditions and restrictions, including risks of forfeiture, as the Award with which they relate; provided, however, that dividend equivalents or other distributions on Common Shares underlying Restricted Shares with restrictions that lapse as a result of achievement of performance targets will be deferred until and paid contingent upon the achievement of applicable performance targets.

ARTICLE 9 STOCK UNITS.

9.1 Stock Units Agreement . Each grant of Stock Units shall be evidenced by a Stock Units Agreement between the Participant and the Company. Awards of Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Units Agreements entered into under the Plan need not be identical.

9.2 Payment for Awards . To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

9.3 Performance and/or Vesting Conditions . Each Award of Stock Units will constitute the agreement by the Company to deliver Common Shares or cash to the Participant in the future in consideration of the performance of services. Each Award of Stock Units may or may not be contingent on the satisfaction of performance targets, or subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Units Agreement, and such Stock Units Agreement may provide for accelerated vesting of the Stock Units, including in the event of the Participant's death, disability or other events; provided, that except as otherwise described in a Stock Units Agreement or otherwise described in this Plan, no grant of Stock Units shall have the restrictions eliminated for a period of time shorter than three (3) years if based only on the passage of time rather than performance targets, except that the restrictions may be removed ratably during the three-year period as determined by the Committee. If the Stock Units specify that the period of restriction will terminate only upon the achievement of performance targets or that the Stock Units will be earned based on the achievement of performance targets, then, notwithstanding anything to the contrary contained in this Section 9.3, the period of restriction may not be less than one (1) year. The Committee may include as vesting conditions or as conditions for any Award of Stock Units the requirement that the performance of the Company or a business unit of the Company for a specified period (not less than one (1) year) equal or exceed a target determined in advance by the Committee. The Committee shall determine such performance metrics. If the Award is intended to satisfy the requirements of Section 162(m) of the Code, such target shall be based on one or more of the criteria set forth in Appendix A. In no event shall the number of Stock Units subject to the Award and/or the vesting of which is or are subject to performance-based conditions intended to satisfy the requirements of Section 162(m) of the Code that are granted to any single Participant in a single calendar year exceed 100,000 Common Shares. The satisfaction of any performance target and/or vesting condition may be waived in the case of a Change in Control or the Participant's death or disability.

9.4 Voting and Dividend Rights . The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to the dividends or other distributions paid on an equal number of Common Shares while the Stock Units are outstanding. As specified by the Committee in the applicable Award, any cash dividend equivalents may be either (a) paid currently, free of any vesting condition, or (b) accumulated and paid at the same time and in the same form as the Stock Units to which they relate, but only if such Stock Units become vested; provided, however, that dividend equivalents or other distributions on Common Shares underlying Stock Units with restrictions that lapse as a result of achievement of performance targets will be deferred until and paid contingent upon the achievement of applicable performance targets.

9.5 Form and Time of Settlement of Stock Units . Settlement of vested Stock Units may be made in the form of (a) cash, (b) Common Shares, or (c) any combination of both, as determined by the Committee. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Stock Units into cash may include (without

limitation) a method based on the average Fair Market Value of Common Shares over a series of trading days. Vested Stock Units may be settled in a lump sum or in installments, and the distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred to any later date; provided, however, that the form and timing of payment of Stock Units shall satisfy the requirements of Section 409A of the Code in form and operation. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 11.

9.6 Creditors' Rights . A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Units Agreement.

ARTICLE 10 PERFORMANCE CASH AWARDS.

10.1 Performance Cash Award Agreement . Each grant of a Performance Cash Award shall be evidenced by a Performance Cash Award Agreement between the Participant and the Company. Awards of Performance Cash Awards shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Performance Cash Award Agreements entered into under the Plan need not be identical.

10.2 Payment for Awards . To the extent that an Award is granted in the form of a Performance Cash Award, no cash consideration shall be required of the Award recipients.

10.3 Performance and/or Vesting Conditions . Each Performance Cash Award shall be contingent on the satisfaction of a performance target intended to satisfy the requirements of Section 162(m) of the Code. The Committee shall include as a condition for a Performance Cash Award, the requirement that the performance of the Company or a business unit of the Company for a specified period (not less than one (1) year) equal or exceed a target determined in advance by the Committee. The Committee shall determine such performance metrics. If the Award is intended to satisfy the requirements of Section 162(m) of the Code, such target shall be based on one or more of the criteria set forth in Appendix A. In no event shall the total amount of all Performance Cash Awards that are intended to satisfy the requirements of Section 162(m) of the Code that are granted to any single Participant in a single calendar year exceed \$1,200,000. The satisfaction of any performance target and/or vesting condition may be waived in the case of a Change in Control or the Participant's death or disability.

10.4 Form and Time of Settlement of Performance Cash Awards . The form and timing of payment of Performance Cash Awards shall satisfy the requirements of Section 409A of the Code in form and operation. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Performance Cash Awards shall be settled in cash in accordance with the terms of the applicable Performance Cash Award Agreement.

10.5 Creditors' Rights . A holder of an unpaid Performance Cash Award shall have no rights other than those of a general creditor of the Company. Unpaid Performance Cash Awards represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Performance Cash Award Agreement.

ARTICLE 11 PROTECTION AGAINST DILUTION.

11.1 Adjustments . In the event of a subdivision of the outstanding Common Shares, stock split, reverse stock split, a declaration of a dividend payable in Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, or an exchange of shares, corresponding adjustments shall automatically be made, without the necessity for Committee action in each of the following:

- (a) The number of Options, SARs, Restricted Shares, and Stock Units available for future Awards under Article 3;
- (b) The limitations set forth in Sections 5.3, 7.2, 8.3, 9.3, and 10.3;
- (c) The number of Common Shares covered by each outstanding Option and SAR;
- (d) The Exercise Price under each outstanding Option and SAR;
- (e) The number of Stock Units included in any prior Award that has not yet been settled; and
- (f) The number of Restricted Shares subject to any unvested Award.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a recapitalization, a spin-off, or any other change in the Common Shares that otherwise would result from any split-off, spin-out, split-up or a similar occurrence, issuance of rights or warrants to purchase securities or any other corporate transaction or event having an effect similar to any of the foregoing, the Committee shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee shall provide in substitution for any or all outstanding Awards under this Plan such alternative consideration (including cash), if any, as it, in good faith, shall determine to be equitable in the circumstances and may require in connection therewith the surrender of all Awards so replaced in manner that complies with Section 409A. In addition, for each Option or SAR with an Exercise Price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may, in its discretion, elect to cancel such Option or SAR. Notwithstanding the foregoing, any such adjustment to the number specified in Section 4.1 will be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an ISO to fail to so qualify. Except as provided in this Article 11, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or

securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend, or any other increase or decrease in the number of shares of stock of any class.

11.2 Dissolution or Liquidation . To the extent not previously exercised or settled, Options, SARs, Stock Units and Performance Cash Awards shall terminate immediately before the dissolution or liquidation of the Company.

11.3 Reorganizations . In the event that the Company is a party to a merger, consolidation, or sale of fifty percent (50%) or more of the Company's stock or assets, all outstanding Awards shall be subject to the agreement of merger or consolidation. Such agreement may provide for one or more of Section 11.3(a) through (g) set forth below.

(a) The continuation of such outstanding Awards by the Company (if the Company is the surviving corporation).

(b) The assumption of such outstanding Awards by the surviving corporation or its parent, provided that the assumption of Options or SARs shall comply with Section 424(a) of the Code (whether or not the Options are ISOs).

(c) The substitution by the surviving corporation or its parent of new awards for such outstanding Awards, provided that the substitution of Options or SARs shall comply with Section 424(a) of the Code (whether or not the Options are ISOs).

(d) Full exercisability of outstanding Options and SARs and full vesting of the Common Shares subject to such Options and SARs, followed by the cancellation of such Options and SARs to the extent not exercised before the closing of the merger or consolidation. The full exercisability of such Options and SARs and full vesting of such Common Shares shall be contingent on the closing of such merger or consolidation. In this case, the Optionees shall be able to exercise such Options and SARs during a period of not less than five (5) full business days preceding the closing date of such merger or consolidation, unless (i) a shorter period is required to permit a timely closing of such merger or consolidation and (ii) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options and SARs. Any exercise of such Options and SARs during such period shall be contingent on the closing of such merger or consolidation.

(e) The cancellation of outstanding Options and SARs and a payment to the Optionees equal to the excess of (i) the Fair Market Value of the Common Shares subject to such Options and SARs (whether or not such Options and SARs are then exercisable or such Common Shares are then vested) as of the closing date of such merger or consolidation over (ii) their Exercise Price. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Options and SARs would have become exercisable or such Common Shares would have vested. Such payment may be subject to vesting based on the Optionee's continuing Service, provided that the vesting schedule shall not be less favorable to the Optionee than the schedule under which such Options and SARs would have become exercisable or such Common Shares would have vested. If the Exercise Price of the Common Shares subject to such Options and SARs exceeds the Fair Market Value of such Common Shares, then such Options and SARs may be cancelled without making a payment to the Optionees. For purposes of this Subsection (e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(f) The cancellation of outstanding Stock Units and a payment to the Participants equal to the Fair Market Value of the Common Shares subject to such Stock Units (whether or not such Stock Units are then vested) as of the closing date of such merger or consolidation. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Stock Units would have vested. Such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Stock Units would have vested. For purposes of this Subsection (f), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(g) Full vesting of the Common Shares subject to Restricted Shares Agreements. The full vesting of the Restricted Shares shall be contingent on the closing of such merger or consolidation.

The provisions of this Section 11.3, as well as the provisions of Sections 8.3 and 9.3 and of any Stock Option Agreement, SAR Agreement, Restricted Shares Agreement, or Stock Units Agreement providing for exercisability, transfer or accelerated vesting of any Option, SAR, Restricted Shares, or Stock Units shall be inapplicable to an Award granted within six (6) months before the occurrence of a merger, acquisition, or other Change in Control if the holder of such Option, SAR, Restricted Shares, or Stock Units is subject to the reporting requirements of Section 16(a) of the Exchange Act and no exception from liability under Section 16(b) of the Exchange Act is available to such holder.

ARTICLE 12 AWARDS UNDER OTHER PLANS.

The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Common Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Common Shares available under Article 3.

ARTICLE 13 LIMITATION ON RIGHTS.

13.1 Retention Rights . Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee or Non-Employee Director or otherwise in the Company's service. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the Service of any Participant at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and by-laws, and a written employment agreement (if any).

13.2 Stockholder Rights . Except as the Committee may provide in the applicable Award Agreement, a Participant shall have no dividend rights, voting rights, or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or ownership of such Common Shares is noted on the transfer records of the Company or, if applicable, the time when he or she becomes entitled to receive such Common Shares by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan or Award.

13.3 Regulatory Requirements . Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations, and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification, or listing, or to an exemption from registration, qualification, or listing.

13.4 No Fractional Shares . No fractional shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash or other property shall be issued or paid in lieu of fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

13.5 Clawback . Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

13.6 Investment Representations; Company Policy . The Committee may require each person acquiring Common Shares pursuant to a Stock Option or other award under the Plan to represent to and agree with the Company in writing that the Participant is acquiring the shares for investment without a view to distribution thereof. Each person acquiring Common Shares pursuant to a Stock Option or other award under the Plan shall be required to abide by all policies of the Company in effect at the time of such acquisition and thereafter with respect to the ownership and trading of the Company's securities.

13.7 Non-Registered Stock . The Common Shares to be distributed under this Plan have not been, as of the date the Plan was adopted by the Board, registered under the Securities Act of 1933, as amended, or any applicable state or foreign securities laws and the Company has no obligation to any Participant to register the Common Shares or to assist the Participant in obtaining an exemption from the various registration requirements, or to list the Common Shares on a national securities exchange or any other trading or quotation system. The Company intends to amend the outstanding registration statements with respect to the Original Plans or to terminate such registration statements and file a new registration statement with respect to the Plan.

13.8 ISO Qualification. Except with respect to Section 13.9, to the extent that any provision of this Plan would prevent any Option that was intended to qualify as an ISO from qualifying as such, that provision will be null and void with respect to such Option. Such provision, however, will remain in effect for other Options and there will be no further effect on any provision of this Plan.

13.9 Approved Leave. Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered interruption or termination of service of any Employee for any purposes of this Plan or awards granted hereunder.

13.10 Miscellaneous Provisions.

(a) Except with respect to Options and SARs, the Committee may permit Participants to elect to defer the issuance of Common Shares under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A. The Committee also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

(b) If any provision of this Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Committee, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it will be stricken and the remainder of this Plan will remain in full force and effect.

ARTICLE 14 WITHHOLDING TAXES.

14.1 General . To the extent required by applicable federal, state, local, or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

14.2 Share Withholding . To the extent that applicable law subjects a Participant to tax withholding obligations, the Committee may, in its discretion, permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the date when they are withheld or surrendered. This Section 14.2 shall apply only to the minimum extent required by applicable tax laws.

ARTICLE 15 FUTURE OF THE PLAN.

15.1 Term of the Plan . The Plan, as set forth herein, shall become effective on the date of the effectiveness of the approval of the Plan by the Company's stockholders, provided that it is adopted by the Board before or concurrently with such stockholder approval. The Plan shall remain in effect until the date when the Plan is terminated under Section 15.2; provided, however, that no ISO may be granted under the Plan after the date that is 10 years

after the date when the Plan was approved by the Company's stockholders.

15.2 Amendment or Termination .

(a) The Board may, at any time and for any reason, amend the Plan in whole or in part; provided, however, that if an amendment to this Plan (i) would materially increase the benefits accruing to participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the stockholders of the Company in order to comply with applicable law or the rules of the Nasdaq Global Market or, if the Common Shares are not traded on the Nasdaq Global Market, the principal national securities exchange upon which the Common Shares are traded or quoted, then, such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in Article 11 of this Plan, the terms of outstanding Awards may not be amended to reduce the Exercise Price of outstanding Options or SARs, or cancel outstanding Options or SARs in exchange for cash, other awards or Options or SARs with an Exercise Price that is less than the Exercise Price of the original Options or SARs, as applicable, without stockholder approval. This Section 15.2(b) is intended to prohibit the repricing of "underwater" Options and SARs and will not be construed to prohibit the adjustments provided for in Article 11 of this Plan. Notwithstanding any provision of this Plan to the contrary, this Section 15.2(b) may not be amended without approval by the Company's stockholders.

(c) If permitted by Section 409A and Section 162(m) of the Code, but subject to the paragraph that follows, including in the case of termination of employment by reason of death, disability or retirement, or in the case of unforeseeable emergency or other special circumstances or in the event of a Change in Control, to the extent a Participant holds an Option or SAR not immediately exercisable in full, or any Restricted Shares as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Stock Units as to which the restriction period has not been completed, or any Stock Units or Performance Cash Awards which have not been fully earned, or who holds Common Shares subject to any transfer restriction imposed pursuant to Section 3.4 of this Plan, the Committee may, in its sole discretion, accelerate the time at which such Option, SAR or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse with respect to Restricted Shares or the time when such restriction period will end or the time at which such Stock Units or Performance Cash Awards will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such Award, except in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(d) Subject to Section 15.2(b) hereof, the Committee may amend the terms of any Award theretofore granted under this Plan prospectively or retroactively, except in the case of a Qualified Performance-Based Award (other than in connection with the Participant's death or disability, or a Change in Control) where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the performance targets or the level or levels of achievement with respect to such Qualified Performance-Based Award. Subject to Article 11 above, no such amendment will impair the rights of any Participant without his or her consent.

(e) The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any Awards outstanding hereunder and not exercised in full on the date of termination. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

15.3 Stockholder Approval . An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws and rules and regulations. Among such applicable laws and rules and regulations, Section 162(m) of the Code requires that the Company's stockholders reapprove the list of available performance criteria set forth in Appendix A not later than the first meeting of stockholders that occurs in the fifth (5th) year following the year in which the Company's stockholders previously approved such criteria.

ARTICLE 16 DEFINITIONS.

16.1 " **2013 Non-Employee Director Plan** " means the Company's 2013 Non-Employee Director Share Incentive Plan, as amended by the 2016 amendment to such plan.

16.2 " **2016 Long-Term Incentive Plan** " means the Company's 2016 Long-Term Incentive Plan.

16.3 " **Affiliate** " means any entity other than the Company, a Parent, or a Subsidiary, if the Company and/or one or more Parents and/or one or more Subsidiaries own, in the aggregate, not less than 50% of such entity.

16.4 " **Award** " means, in the case of Employees, any award of an Option, a SAR, a Restricted Share, a Performance Cash Award, or a Stock Unit under the Plan and, in the case of Non-Employee Directors, means the award of Restricted Shares or an NSO Option under the Plan.

16.5 " **Award Agreement** " means a Stock Option Agreement, SAR Agreement, Restricted Shares Agreement, Performance Cash Award Agreement or Stock Units Agreement.

16.6 " **Board** " means the Company's Board of Directors, as constituted from time to time.

16.7 " **Bonus Award** " means Restricted Shares granted in satisfaction of any portion of the annual bonuses payable in Common Shares under any employment agreement between the Company and certain of its officers and under its bonus programs for other Employees.

16.8 " **Change in Control** ," unless otherwise defined in an Award Agreement, shall mean the occurrence of one or more of the following events that

occurs after June 13, 2016:

(a) **Change in Board Composition.** Individuals who constitute the members of the Board as of the date hereof (the “Incumbent Directors”), cease for any reason to constitute at least a majority of members of the Board; provided that any individual becoming a director of the Company subsequent to the date hereof shall be considered an Incumbent Director if such individual’s appointment, election or nomination was approved by a vote of at least 50% of the Incumbent Directors; provided further that any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or contests by or on behalf of a “person” (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director;

(b) **Business Combination.** Consummation of (i) a reorganization, merger, consolidation, share exchange or other business combination involving the Company or any of its subsidiaries or the disposition of all or substantially all the assets of the Company, whether in one or a series of related transactions, or (ii) the acquisition of assets or stock of another entity by the Company (either, a “Business Combination”), excluding, however, any Business Combination pursuant to which: (A) individuals who were the “beneficial owners” (as such term is defined in Rule 13d-3 under the Exchange Act), respectively, of the then outstanding shares of common stock of the Company (the “Outstanding Stock”) and the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the Company (the “Outstanding Company Voting Securities”) immediately prior to such Business Combination beneficially own, upon consummation of such Business Combination, directly or indirectly, more than 50% of the then outstanding shares of common stock (or similar securities or interests in the case of an entity other than a corporation) and more than 50% of the combined voting power of the then outstanding securities (or interests) entitled to vote generally in the election of directors (or in the selection of any other similar governing body in the case of an entity other than a corporation) of the Surviving Corporation (as defined below) in substantially the same proportions as their ownership of the Outstanding Stock and Outstanding Company Voting Securities, immediately prior to the consummation of such Business Combination (that is, excluding any outstanding voting securities of the Surviving Corporation that such beneficial owners hold immediately following the consummation of the Business Combination as a result of their ownership prior to such consummation of voting securities of any company or other entity involved in or forming part of such Business Combination other than the Company); (B) no person (other than the Company, any subsidiary of the Company, any employee benefit plan of the Company or any of its subsidiaries or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company) or group (as such term is defined in Rule 13d-3 under the Exchange Act) becomes the beneficial owner of 50% or more of either (x) the then outstanding shares of common stock (or similar securities or interests in the case of an entity other than a corporation) of the Surviving Corporation, or (y) the combined voting power of the then outstanding securities (or interests) entitled to vote generally in the election of directors (or in the selection of any other similar governing body in the case of an entity other than a corporation); and (C) individuals who were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination constitute at least a majority of the members of the board of directors (or of any similar governing body in the case of an entity other than a corporation) of the Surviving Corporation; where for purposes of this subsection (b), the term “Surviving Corporation” means the entity resulting from a Business Combination or, if such entity is a direct or indirect subsidiary of another entity, the entity that is the ultimate parent of the entity resulting from such Business Combination;

(c) **Stock Acquisition.** Any person (other than the Company, any subsidiary of the Company, any employee benefit plan of the Company or any of its subsidiaries or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company) or group becomes the beneficial owner of 50% or more of either (x) the Outstanding Stock or (y) the Outstanding Company Voting Securities; provided, however, that for purposes of this subsection (c) no Change in Control shall be deemed to have occurred as a result of any acquisition directly from the Company; provided, further, however, no Change in Control shall be deemed to have occurred under this subsection (c) if such acquisition would not have been a Change in Control under subsection (b) above; or

(d) **Liquidation.** Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company (or, if no such approval is required, the consummation of such a liquidation or dissolution).

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction.

16.9 “ **Code** ” means the Internal Revenue Code of 1986, as amended.

16.10 “ **Committee** ” means the Compensation Committee of the Board, except as otherwise described in Article 2.

16.11 “ **Common Share** ” means one share of the common stock of the Company.

16.12 “ **Company** ” means SAExploration Holdings, Inc., a Delaware corporation.

16.13 “ **Covered Employee** ” means an Employee who is a “covered employee” within the meaning of Section 162(m)(3) of the Code or any successor to such statute and regulation.

16.14 “ **Daily VWAP** ” means, as of any date, the dollar volume-weighted average price of the Common Shares on the Principal Market during the period beginning at 9:30:01 a.m., New York City time, and ending at 4:00:00 p.m., New York City time, as reported by Bloomberg through its “Volume at Price” function or, if the foregoing does not apply, the dollar volume-weighted average price of the Common Shares in the over-the-counter market on the electronic bulletin board for the Common Shares during the period beginning at 9:30:01 a.m., New York City time, and ending at 4:00:00 p.m., New York City time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for the Common Shares by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Common Shares as reported in the “pink sheets” by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.); provided, however, that if Daily VWAP cannot be calculated for the Common Shares on such date on any of the foregoing bases, the Daily VWAP on such date shall be the fair

market value as determined by an independent appraiser selected in good faith by the Committee. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

16.15 “ **Director** ” means a member of the Company’s Board.

16.16 “ **Employee** ” means a common-law employee of the Company, a Parent, a Subsidiary, or an Affiliate.

16.17 “ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended.

16.18 “ **Executive Officer** ” means an officer of the Company who is considered an executive officer under Section 16 of the Exchange Act.

16.19 “ **Exercise Price** ,” in the case of an Option, means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. “Exercise Price,” in the case of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Common Share in determining the amount payable upon exercise of such SAR.

16.20 “ **Fair Market Value** ” means unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company’s desired accounting for Awards, a price that is based on the opening, closing, actual, high, low or average selling prices, including, Daily VWAP, of a Common Share on the established securities market (within the meaning of Treasury Regulation § 1.409A-1(k)) on which the Common Shares are then readily tradable, on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, including VWAP (within not more than 30 days before and not more than 30 days after the applicable valuation date, and provided that any such averaging shall be in accordance with the provisions of Treasury Regulation § 1.409A-1(b)(5)(iv)(A)), as determined by the Committee in its discretion. In the event that the Common Shares are not readily tradable on an established securities market (within the meaning of Treasury Regulation § 1.409A-1(k)), the Fair Market Value shall be determined by the Committee by reasonable application of a reasonable method, taking into account factors under Treasury Regulation § 1.409A-1(b)(5)(iv)(B) as the Committee deems appropriate. In all cases, Fair Market Value shall be determined in accordance with Treasury Regulation § 1.409A-1(b)(5)(iv). Such definition(s) of Fair Market Value may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement or payout of an Award. The Committee’s determination shall be conclusive and binding on all persons.

16.21 “ **ISO** ” means a stock option that is intended to qualify as an “incentive stock option” described in Section 422 of the Code or any successor provision.

16.22 “ **Non-Employee Director** ” means a Director who is a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act or any successor to such regulation.

16.23 “ **NSO** ” means a stock option not described in Sections 422 or 423 of the Code.

16.24 “ **Option** ” means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

16.25 “ **Optionee** ” means an individual or estate holding an Option or SAR.

16.26 “ **Original Plans** ” means (a) the 2013 Non-Employee Director Incentive Plan, and (b) the 2016 Long-Term Incentive Plan.

16.27 “ **Outside Director** ” means a Director who is an “outside director” within the meaning of Section 162(m) of the Code and Treasury Regulations Section 1.162-27(e)(3) or any successor to such statute and regulation.

16.28 “ **Parent** ” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

16.29 “ **Participant** ” means an individual or estate holding an Award.

16.30 “ **Performance Cash Award** ” means an Award of an amount of cash under the Plan, subject to the provisions of Article 10.

16.31 “ **Performance Cash Award Agreement** ” means the agreement between the Company and the recipient of a Performance Cash Award that contains the terms, conditions and restrictions pertaining to such Performance Cash Award.

16.32 “ **Plan** ” means this SAExploration Holdings, Inc. Amended and Restated 2016 Long-Term Incentive Plan, as amended from time to time.

16.33 “ **Principal Market** ” means the principal securities exchange or securities market on which the Company’s Common Shares are then traded.

16.34 “ **Qualified Performance-Based Award** ” means any Award of Restricted Shares, Stock Units or Performance Cash Awards, or portion of such Award, to a Covered Employee that is intended to satisfy the requirements for “qualified performance-based compensation” under Section 162(m) of the Code.

16.35 “ **Restricted Share** ” means a Common Share awarded under the Plan.

16.36 “ **Restricted Shares Agreement** ” means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions, and restrictions pertaining to such Restricted Share.

16.37 “ **SAR** ” means a stock appreciation right granted under the Plan.

16.38 “ **SAR Agreement** ” means the agreement between the Company and an Optionee that contains the terms, conditions, and restrictions pertaining to his or her SAR.

16.39 “ **Service** ” means service as an Employee, provided that the Committee may, in determining a Participant’s satisfaction of any vesting or similar requirement, in its discretion as it may choose to exercise from time to time with respect to any Participant or Participants, aggregate with an Employee’s service as an employee his or her service as an independent contractor (including as a Company Director).

16.40 “ **Stock Option Agreement** ” means the agreement between the Company and an Optionee that contains the terms, conditions, and restrictions pertaining to his or her Option.

16.41 “ **Stock Unit** ” means a bookkeeping entry representing the equivalent of one Common Share, as awarded under the Plan, and representing the right, upon the satisfaction of certain conditions, to receive a Common Share, or cash equal to the value of a Common Share.

16.42 “ **Stock Units Agreement** ” means the agreement between the Company and the recipient of a Stock Unit that contains the terms, conditions, and restrictions pertaining to such Stock Unit.

16.43 “ **Subsidiary** ” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

16.44 “ **VWAP** ” means the average of the Daily VWAP for each day during the 30-day period.

ARTICLE 17 STOCK-BASED AWARDS IN SUBSTITUTION FOR OPTIONS OR AWARDS GRANTED BY OTHER COMPANY.

Notwithstanding anything in this Plan to the contrary:

17.1 Awards may be granted under this Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other stock or stock-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any Subsidiary. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The Awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of this Plan, and may account for Common Shares substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

17.2 In the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary merges has shares available under a pre-existing plan previously approved by stockholders and not adopted in contemplation of such acquisition or merger, the shares available for grant pursuant to the terms of such plan (as adjusted, to the extent appropriate, to reflect such acquisition or merger) may be used for awards made after such acquisition or merger under the Plan; provided, however, that awards using such available shares may not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any Subsidiary prior to such acquisition or merger.

17.3 Any Common Shares that are issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under Sections 17.1 or 17.2 above will not reduce the Common Shares available for issuance or transfer under the Plan or otherwise count against the limits contained in this Plan. In addition, no Common Shares that are issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under Sections 17.1 or 17.2 above will be added to the aggregate plan limit contained in Article 3 of the Plan.

ARTICLE 18 EXECUTION.

To record the adoption of the Plan effective May 4, 2017, the Company has caused its duly authorized officer to execute this document in the name of the Company.

SAEXPLORATION HOLDINGS, INC.

By:

Name: Brent Whiteley

Title: Secretary

APPENDIX A

Performance Criteria for Restricted Shares, Stock Units, and Performance Cash Awards

The Committee may establish award and/or vesting targets derived from all or any of the criteria set forth below, in any combination, which may be (i) described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of one or more of the Subsidiaries, divisions, departments, regions, functions or other organizational units within the Company or its Subsidiaries; (ii) made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies; and (iii) made relative to an index or one or more of the performance objectives themselves, when it makes Awards of Restricted Shares, Stock Units, or Performance Cash Awards on the basis of performance. The Committee may grant awards subject to all or any of the criteria that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The performance targets applicable to any Qualified Performance-Based Award to a Covered Employee will be based on one or more, or a combination, of the criteria set forth below.

- (a) Revenue (or any sub-component thereof);
- (b) Revenue growth;
- (c) Operating costs;
- (d) Operating margin as a percentage of revenue;
- (e) Earnings before interest, taxes, depreciation, and amortization;
- (f) Earnings before income taxes;
- (g) Net operating profit after taxes;
- (h) Net income;
- (i) Net income as a percentage of revenue;
- (j) Free cash flow;
- (k) Earnings per Common Share;
- (l) Net operating profit after taxes per Common Share;
- (m) Free cash flow per Common Share;
- (n) Return on net assets employed before interest and taxes;
- (o) Return on equity, investment, invested capital, net capital employed, assets, or net assets;
- (p) Total stockholder return or relative total stockholder return (as compared with a peer group of the Company);
- (q) Safety performance metrics, including relative to industry standards; or
- (r) Strategic team goals.

In the case of a Qualified Performance-Based Award, each performance target will be objectively determinable to the extent required under Section 162(m) of the Code, and, unless otherwise determined by the Committee and to the extent consistent with Code Section 162(m), will exclude the effects of certain designated items identified at the time of grant. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the performance

targets unsuitable, the Committee may in its discretion modify such performance targets or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with a Change in Control) where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the performance targets or minimum acceptable level of achievement with respect to such Covered Employee. Subject to the foregoing, and to the extent not inconsistent with Section 162(m) of the Code, the Committee shall adjust the results under any performance criteria to exclude any of the following events, or any similar that occurs during a performance measurement period: (a) asset write-downs; (b) litigation, claims, judgments or settlements; (c) the effect of changes in tax law, accounting principles or periods, or other such laws or provisions affecting reported results; (d) accruals for reorganization and restructuring programs; (e) fluctuations in foreign exchange rates; and (f) any extraordinary, unusual, or nonrecurring items.