
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) March 16, 2018

Digital Turbine, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-35958
(Commission File Number)

22-2267658
(IRS Employer Identification No.)

110 San Antonio St. Suite 160, Austin, TX 7870
(Address of Principal Executive Offices)

78701
(Zip Code)

(512) 387-7717
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

On March 16, 2018, Digital Turbine, Inc. (the “Company”) entered into a second amendment (the “Amendment”) to the employment agreement with William Stone originally entered into on September 9, 2014 and previously amended on May 26, 2016 (the “Employment Agreement”). The Amendment replaces the fixed term of the Employment Agreement, which would otherwise expire on March 31, 2018, with an at-will arrangement without a definite term. In addition, the Amendment: (i) establishes a new incentive compensation structure for future fiscal years consisting of annual cash and long term equity incentives described further below; (ii) provides pro-ration of certain annual cash and long term equity incentives in connection with payments for termination by the Company without cause or by Mr. Stone for good reason and changes the duration of severance payments to Mr. Stone in connection with such types of terminations following a change of control; and (iii) provides for a \$100,000 signing payment to Mr. Stone.

The new bonus structure replaces the existing bonus structure commencing for the fiscal year ending March 31, 2019 and generally provides for annual cash incentives and long term equity incentives. The annual cash incentives will require attainment of revenue and earnings goals set by the independent Compensation Committee of the Board of Directors of the Company, after consultation with Mr. Stone, which will be based on a Board approved annual operating plan. The applicable goals will have three increasingly higher levels of revenue and earnings. The annual cash incentives will be for up to 25%, 50% or 100% of Mr. Stone’s base salary (currently \$500,000 annually) based on the level of goal achievement. Even if revenue and earnings goals are fully achieved within any given level, 20% of the applicable bonus opportunity is in the sole discretion of the Compensation Committee based on exceptional results in compliance, operations and other areas the Committee deems appropriate.

The amount of any long term incentive (LTI) equity grants is within the sole discretion of the Committee in all cases, but if granted, would be structured to consist of time vesting and performance vesting restricted common stock units. Any LTI awards would be contingent on achievement of three year revenue and EBITDA goals, based on three increasingly higher levels of attainment established by the Compensation Committee, after discussion with Mr. Stone, based on a Board approved three year operating plan. The highest level of attainment would require revenue and EBITDA of at least 200% of the applicable revenue and EBITDA goals set by the Compensation Committee. Any time vesting awards will vest over three years after grant and any such awards that have not vested prior to any termination of Mr. Stone’s employment shall terminate. Any performance vesting awards will be earned on the third anniversary of the grant date provided Mr. Stone is employed through such date. Except in connection with terminations without cause or for good reason, if Mr. Stone’s employment with the Company terminates prior to the third anniversary of the applicable grant date, performance vesting units shall not vest and shall terminate immediately upon such termination of employment. Any performance vesting units shall be subject to a negative discretion clawback up into two years after the vesting date in connection with financial restatements or certain actions constituting cause. During such two year period any underlying shares are subject to a lock up.

Except as provided in the Amendment, and for technical and conforming changes, Mr. Stone’s Employment Agreement remains unchanged. The foregoing summaries of the Amendment does not purport to summarize all terms and is subject to, and qualified in its entirety by, the full text of the Amendment, which has been filed as an exhibit hereto.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| <u>10.1</u> | <u>Second Amendment, dated March 16, 2018, to Employment Agreement between the Company and William Stone.</u> |

SIGNATURES

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 thereunto duly authorized.

Dated: March 20, 2018

Digital Turbine, Inc.

By: /s/ Barrett Garrison
Barrett Garrison
Executive Vice President, Chief Financial
Officer

EXHIBITS INDEX

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|--------------------|---|
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SECOND AMENDMENT
TO
EMPLOYMENT AGREEMENT

This Second Amendment (this "**Amendment**") to the Employment Agreement (as defined below) is made and entered into as of March 16, 2018 by Digital Turbine, Inc., a Delaware corporation (the "**Employer**"), and William Stone (the "**Executive**"). Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Employment Agreement.

WHEREAS, the Employer and the Executive entered into that certain Employment Agreement, dated as of September 9, 2014, as amended May 26, 2016 (as so amended, the "**Employment Agreement**"), pursuant to which the Executive currently is serving as Chief Executive Officer of the Employer;

WHEREAS, the Board of Directors has determined that the Employer should make certain amendments to the Employment Agreement as further described herein; and

WHEREAS, the Employer and the Executive desire to enter into this Amendment to effectuate such amendments to the Employment Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree to amend the Employment Agreement, as follows:

1. **Amendment to Section 3 of the Employment Agreement.** Section 3 of the Employment Agreement is amended and restated to read as follows:

"3. **Term.** Subject to the provisions of Section 6, the term of employment pursuant to this Agreement commenced on the Transition Date and shall continue on an at-will basis, subject to termination by the Company or Executive at any time (the period of time commencing on the Transition Date through the termination of this Agreement being the "**Term**")"

2. **Amendment to Section 4(b)(ii) of the Employment Agreement.** Section 4(b)(ii) of the Employment Agreement is amended and restated to read as follows:

"(ii) Effective for the Stub Period, The Year 1 Period, the Year 2 Period, the Year 3 Period (each, as defined in Schedule A), the Executive shall be eligible to be paid an annual incentive bonus in cash in an amount of up to one hundred fifty percent (150%) of the Executive's Salary with respect to the applicable period subject to satisfaction of performance-related milestones, as specified on Schedule A. Effective for all periods after the Year 3 Period, the Executive shall be eligible to the annual and long term incentive bonuses in the amounts, and subject to the terms as conditions, as set forth in Schedule B."

3. **Amendment to Section 4(b)(iii) of the Employment Agreement.** Section 4(b)(iii) of the Employment Agreement is amended and restated to read as follows:

“(iii) Any bonus amounts due under subsection (b)(i) and (b)(ii) of this Section 4 (x) shall be paid within thirty (30) days after the revenue and EBITDA criteria are determined for the applicable period in the manner described in Schedule A and Schedule B, as applicable, but not later than two and one-half (2-1/2) months following the later of the last day of the calendar year or the last day of the Employer’s fiscal year in which the applicable period with respect to which the bonus is determined ends, and (y) shall be conditioned on the Executive being employed throughout the entire applicable period with respect to which the bonus is determined.”

4. **Amendment to Section 4(f) of the Employment Agreement.** Section 4(f) of the Employment Agreement is amended and restated to read as follows:

“The Executive shall be entitled to a one-time bonus of One Hundred Thousand Dollars (\$100,000) payable within five (5) days of signing the Amendment to the Employment Agreement entered on or about March 16, 2018.”

5. **Amendment to Section 6(d) of the Employment Agreement.** Section 6(d) of the Employment Agreement is amended and restated to read as follows:

“(d) **Disability.** If the Executive shall become Disabled so as to be unable to perform the essential functions of the Executive’s then existing position or positions under this Agreement with or without reasonable accommodation, the Board of Directors may remove the Executive from any responsibilities and/or reassign the Executive to another position with the Employer during the period of such Disability. Notwithstanding any such removal or reassignment, the Executive shall continue to receive the Executive’s full Salary (less any disability pay or sick pay benefits to which the Executive may be entitled under the Employer’s policies) and benefits under Section 4 of this Agreement (except to the extent that the Executive may be ineligible for one or more such benefits under applicable plan terms) for a period of time equal to twelve (12) months payable at the same time as such amounts would otherwise have been paid to the Executive had he continued in his current capacity. If the Executive is unable to perform substantial services of any kind for the Employer during this period, such period shall be considered a paid leave of absence and the Executive shall have the contractual right to return to employment at any time during such period. If the Executive’s Disability continues beyond such twelve (12) month period, the Executive’s employment may be terminated by the Employer by reason of Disability at any time thereafter. For purposes hereof, the term “Disabled” or “Disability” shall mean a written determination that the Executive, as certified by at least two (2) duly licensed and qualified physicians, one (1) approved by the Board of Directors of the Employer and one (1) physician approved by the Executive (the “Examining Physicians”), or, in the event of the Executive’s total physical or mental disability, the Executive’s legal representative, that the Executive suffers from a physical or mental impairment that renders the Executive unable to perform the Executive’s regular personal duties under this Agreement and that such impairment can reasonably be expected to continue for a period of three (3) consecutive months or for shorter periods aggregating ninety (90) days in any twelve (12) month period; provided, however, that the Executive’s primary care physician may not serve as one of the Examining Physicians without the consent of the Employer and the Executive (or the Executive’s legal representation). The Executive shall cooperate with any reasonable request of a physician to submit to a physical examination for purposes of such certification. Nothing in this Section 6(d) shall be construed to waive the Executive’s rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq. and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.”

6. **Amendment to Section 6(e) of the Employment Agreement.** Section 6(e) of the Employment Agreement is amended and restated to read as follows:

“(e) **Termination by the Executive for Good Reason.** Subject to the payment of Termination Benefits pursuant to Section 7(b), the Executive’s employment under this Agreement may be terminated by the Executive for Good Reason. For purposes of this Agreement, “Good Reason” shall be present where Executive gives notice to the Board of Directors of his voluntary resignation within thirty (30) days after the occurrence of any of the following, without Executive’s written consent: (i) breach by the Employer of the insurance or indemnification provisions herein or in Executive’s indemnification agreement with Employer as in effect on the date hereof or failure of the Employer to pay or cause to be paid or delivered any amounts or options due Executive when due under the terms and conditions hereunder, in each case subject to a thirty (30) day cure period by the Employer following reasonably specific written notice by the Executive; (ii) the Executive’s not reporting directly to the Board of Directors, subject to a thirty (30) day cure period by the Employer following reasonably specific written notice by the Executive, unless the sole reason for such failure to report to the Board of Directors is that a Change of Control occurred and as a result the Executive’s reporting structure in the buyer’s organization puts Executive at effectively the same or higher level of overall responsibility and authority (comparing the positions in each organization) as was the case immediately prior to such Change of Control, as reasonably determined by the Board of Directors prior to such Change of Control; or (iii) material diminution in Executive’s position, duties, authority or responsibility, without Cause, subject to a thirty (30) day cure period by the Employer following reasonably specific written notice by the Executive. If the Executive fails to resign within sixty (60) days after the expiration of the applicable cure period, then such event will not be a basis to resign for Good Reason.”

7. **Amendment to Section 7(a) of the Employment Agreement.** Section 7(a) of the Employment Agreement is amended by deleting from the first sentence thereof the words “during or upon expiration of the Term.”

8. **Amendment to Section 7(b) of the Employment Agreement.** Section 7(b) of the Employment Agreement is amended and restated to read as follows:

“(b) **Termination by the Employer Without Cause or by the Executive for Good Reason.** In the event of termination of the Executive’s employment with the Employer pursuant to Section 6(b) or 6(e) above, and subject to the Executive’s execution and delivery of a release of any and all legal claims in a form satisfactory to the Employer, and expiration of any revocation period without the release being revoked, within forty-five (45) days following the Termination Date (the “Release Period”), the Employer shall provide to the Executive, in addition to the Accrued Compensation, the following termination benefits (“Termination Benefits”):

- (i) continuation of the Executive's Salary at the rate and in accordance with the Employer's payroll practices then in effect pursuant to Section 4(a); and
- (ii) continuation of any executive health and group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), subject to payment of premiums by the Employer to the extent that the Employer was covering such premiums as of the Termination Date (if permitted by law without violation of applicable discrimination rules, or, if not, the equivalent after-tax value payable as additional severance at the same time such premiums are otherwise payable); and
- (iii) a pro-rated portion of the Annual Cash Incentive (as provided for in Schedule B) applicable to the fiscal year in which the Termination Date occurs (but, for clarity, not for any period after such fiscal year), based on the percentage completion of such fiscal year (measured from April 1st of such year through the Termination Date) and the degree of attainment of the applicable Annual Financial Goals (as defined in Schedule B) as of the Termination Date, as reasonably determined by the Compensation Committee, and paid at the same time as a bonus would otherwise be payable under Section 4(b);
- (iv) acceleration of vesting of the options amended and/or granted under this Agreement on a pro-rata basis as if the vesting schedule had been monthly rather than annual, advanced to the next month; and
- (v) acceleration of vesting of such number of PSUs that have been granted to Executive under Schedule B but which are then unvested, determined, for each then outstanding granted but unvested grant, by multiplying the PSUs that Executive would receive at each applicable "Target" level of performance, by a fraction, the numerator of which is the number of calendar months elapsed from the Grant Date of the applicable grant of PSUs through the Termination Date, and the denominator of which is 36 months.

The Termination Benefits set forth in subsections 7(b)(i) and (ii) and above shall continue effective for a period starting on the Termination Date and ending on the first anniversary of the Termination Date (the "Termination Benefits Period"); provided, however, (i) that if the termination pursuant to Section 6(b) or 6(e) above occurs within twelve (12) months of a Change of Control, then the Termination Benefits Period shall be a period of eighteen (18) consecutive months starting on the Termination Date; and (ii) that in the event that the Executive commences any employment during the Termination Benefits Period, the benefits provided under Section 7(b)(ii) shall cease effective as of the date Executive qualifies for group health plan benefits in his new employment. The Employer's liability for Salary continuation pursuant to Section 7(b)(i) shall not be reduced by the amount of any severance pay paid to the Executive pursuant to any severance pay plan or stay bonus plan of the Employer. Notwithstanding the foregoing, nothing in this Section 7(b) shall be construed to affect the Executive's right to receive COBRA continuation entirely at the Executive's own cost to the extent that the Executive may continue to be entitled to COBRA continuation after Employer-paid premiums cease. The Executive shall be obligated to give prompt notice of the date of commencement of any employment during the Termination Benefits Period and shall respond promptly to any reasonable inquiries concerning any employment in which the Executive engages during the Termination Benefits Period.

The Employer acknowledges and agrees that under certain circumstances involving the termination of the Executive's employment and/or a Change of Control transaction involving the Employer, the Executive shall be entitled to accelerated vesting on his options to purchase shares of capital stock of the Employer, all to the extent provided in that certain Stock Option Agreements referred to in Section 4(e) hereof.

Any Termination Benefits (subject to Executive's timely execution, delivery and nonrevocation of the required release) that otherwise would become due any payable prior to the end of the Release Period (including Salary continuation payments and COBRA premium payments otherwise due during the Release Period) shall be paid on Employer's first regular payroll date following the end of the Release Period."

9. **Amendment to Section 7(c) of the Employment Agreement.** Section 7(c) of the Employment Agreement is amended and restated to read as follows:

"(c) Termination by Reason of Cause, Death, Disability, Voluntary Termination by the Executive or Company. If the Executive's employment is terminated for any reason other than (i) by the Employer without Cause under Section 6(b) or (ii) by the Executive for Good Reason under Section 6(e), the Employer shall have no further obligation to the Executive other than payment of his Accrued Compensation."

10. **Amendment to Section 8(g) of the Employment Agreement.** Section 8(g) of the Employment Agreement is amended by changing the reference therein to "Schedule B" to be "Schedule C".

11. **Addition of New Schedule B to Employment Agreement.** A new Schedule B is hereby added to the Employment Agreement, immediately after Schedule A, which shall read as follows (and previous Schedule B is hereby renamed Schedule C):

Schedule B

Annual Cash Incentive:

Commencing for the fiscal year ending March 31, 2019 and continuing for each fiscal year thereafter while the Executive is employed as the CEO of the Company, the Compensation Committee of the Board will, within 30 days the Board's approval of the annual operating plan for a given fiscal year, but not later than the end of the first fiscal quarter of the fiscal year, determine, after consultation with the Executive, Threshold, Target and Stretch Target revenue and earnings goals for that specific fiscal year, each representing an increasingly higher level of achievement, which goals shall be provided in the writing to the Executive ("**Annual Financial Goals**"). Earnings goals shall generally be the same primary measure of profitability used by the Company in its public guidance (such as Adjusted EBITDA), but the Committee retains the right to use a different measure. If an extraordinary change occurs, such as a merger or recapitalization, the Committee may, in its reasonable discretion, revise the Annual Financial Goals after discussion with the Executive to preserve the original incentive structure and degree of achievement as existed prior to such change.

The amount of the Threshold, Target and Stretch Target bonuses shall be 25%, 50% and 100% of the Executive's Base Salary for the applicable fiscal year, and shall only be paid in cash. For example, for the fiscal year ending March 31, 2019, the Base Salary is \$500,000, so the Threshold, Target and Stretch Target bonus would be, if the applicable goals are achieved, \$125,000; \$250,000; and \$500,000.

Achievement of Annual Financial Goals shall be determined promptly after the Company's annual financial statements for the fiscal year for the applicable period have been publicly issued and certified by the Company's auditors. Any interpretative issues in reconciling earnings goals to audited numbers shall (a) be resolved as much as possible based on the Company's publicly filed reconciliations of the same and (b) as to any other questions shall be determined in the reasonable discretion of the Compensation Committee after good faith discussion with Executive.

The Committee retains the sole discretion to award a pro-rated amount of any applicable bonus based on partial achievement, but the Company and the Committee has no obligation to do so and Executive confirms he has no expectation that the Company or the Committee will do so.

| Annual Cash Incentive | Threshold Bonus | Target Bonus | Stretch Target Bonus |
|------------------------------|--|---|---|
| Revenue Goal (40%) | <i>Executive receives 40% of the Threshold Bonus only if the applicable Revenue goal is achieved.</i> | <i>Executive receives 40% of the Target Bonus only if the applicable Revenue goal is achieved.</i> | <i>Executive receives 40% of the Stretch Target Bonus only if the applicable Revenue goal is achieved.</i> |
| Earnings Goal (40%) | <i>Executive receives 40% of the Threshold Bonus only if the applicable earnings goal is achieved.</i> | <i>Executive receives 40% of the Target Bonus only if the applicable earnings goal is achieved.</i> | <i>Executive receives 40% of the Stretch Target Bonus only if the applicable earnings goal is achieved.</i> |
| Discretionary (20%) | Executives receives 20% of the highest bonus tier he has earned if, in the sole discretion of the Compensation Committee, he has achieved exceptional results for the Company in the areas of compliance and operations and such other areas of focus as the Committee deems appropriate. If Executive has not earned any bonus tier, the Committee retains the discretion to award the Discretionary bonus base on 20% of the Threshold bonus. | | |

Long Term Incentive:

Commencing with the fiscal year ending March 31, 2019, and continuing for each fiscal year thereafter while the Executive is employed as the CEO of the Company, the Compensation Committee of the Board will grant to the Executive, when the Company makes Company-wide annual equity grants for such fiscal year (such date, the "Grant Date"), time-vesting and performance-vesting Restricted Stock Units pursuant to the Amended and Restated 2011 Equity Incentive Plan of Mandalay Digital Group, Inc. (the "Plan") in amounts determined below, subject, for the avoidance of doubt, to any applicable annual limit set forth in Section 9.5 of the Plan. Capitalized terms used in these provisions pertaining to the Long Term Incentive, and not otherwise defined in the Agreement, shall have the meanings set forth in the Plan.

Time-Vesting Restricted Stock Units

The time-vesting Restricted Stock Units (RSUs) shall be for a number of Shares of Company common stock having aggregate Fair Market Value on the Grant Date as determined by the Compensation Committee in its discretion. Such RSUs will vest on the following schedule, provided that the Executive continues to be employed by the Company through each vesting date:

| | |
|---|----------------------------------|
| On the first anniversary of the Grant Date | 1/3 of the Shares |
| On the monthly anniversary of the Grant Date each month after the first anniversary of the Grant Date through the third anniversary of the Grant Date | an additional 1/36 of the Shares |

Any RSUs that have not vested prior to the termination of the Executive's employment with the Company shall terminate immediately upon the Executive's termination of employment and thereafter shall be of no further force or effect.

On each vesting date, the number of Shares with respect to which the RSU then vests immediately shall be issued to the Executive. The Company is authorized to withhold applicable taxes upon issuance of such Shares pursuant to Section 21 of the Agreement.

Performance-Vesting Restricted Stock Units

The performance-vesting Performance Stock Units (PSUs) shall be for a number of Shares of Company common stock having aggregate Fair Market Value on the Grant Date as determined by the Compensation Committee in its discretion. Such PSUs will be earned and vest on the third anniversary of the Grant Date, provided that the Executive continues to be employed by the Company through such date, with the number of Shares then earned and vested determined as described below.

On or before the Grant Date of the PSUs, the Board shall establish, after consultation with the Executive, Threshold, Target and Stretch Target Revenue and EBITDA goals for the three fiscal year period beginning with the fiscal year immediately following the fiscal year for which the Long Term Incentive grant is being made, which goals shall be provided in the writing to the Executive (“**LTI Financial Goals**”). Vesting of PSUs granted for each fiscal year will be based fifty percent (50%) upon level of satisfaction of the 3-year Revenue goal and fifty percent (50%) upon level of satisfaction of the 3-year EBITDA goal. If an extraordinary event occurs during the three fiscal year period, such as a merger or recapitalization of the Company, the Board may, in its reasonable discretion, revise the LTI Financial Goals after discussion with the Executive to preserve the original incentive structure and degree of achievement as existed prior to such change. LTI Financial Goals may be stated as achievement of a given level of revenue and EBITDA for each year of the three-year period, or of a given aggregate level of revenue and EBITDA over the three-year period. Level of vesting of PSUs with respect to Revenue and EBITDA goals will be in accordance with the following schedule, with straight line interpolation for achievement between Threshold and Target performance and between Target and Stretch Target performance:

| PSU Vesting | Threshold | Target | Stretch Target |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| 3 Year Revenue Target (50% of 3-year vest PSU grant) | 50% of Revenue goal portion of PSUs | 100% of Revenue goal portion of PSUs | 200% of Revenue goal portion of PSUs |
| 3 Year EBITDA Target (50% of 3-year vest PSU grant) | 50% of EBITDA goal portion of PSUs | 100% of EBITDA goal portion of PSUs | 200% of EBITDA goal portion of PSUs |

Achievement of LTI Financial Goals shall be determined promptly after the Company’s annual financial statements for the last fiscal year for the applicable period have been publicly issued and certified by the Company’s auditors. Any interpretative issues in reconciling EBITDA goals to audited numbers shall (a) be resolved as much as possible based on the Company’s publicly filed reconciliations of the same and (b) as to any other questions shall be determined in the reasonable discretion of the Compensation Committee after good faith discussion with Executive.

No PSUs shall vest with respect to any LTI Financial Goal that is not met at the Threshold level of above. Vesting shall not exceed 200% of PSUs for performance above the Stretch Target level.

Except as set forth in Section 7(b)(v) of the Agreement, if the Executive’s employment with the Company terminates prior to the third anniversary of the Grant Date, the PSUs shall not vest and shall terminate immediately upon the Executive’s termination of employment and thereafter shall be of no further force or effect.

On the vesting date (including on the last day of the Release Period for any PSUs vesting under Section 7(b)(v) of the Agreement), the number of Shares with respect to which the PSU then vests immediately shall be issued to the Executive. The Company is authorized to withhold applicable taxes upon issuance of such Shares pursuant to Section 21 of the Agreement.

Notwithstanding anything herein to the contrary, in addition to the clawback rights contained elsewhere in this Agreement or applicable under the law, the Compensation Committee shall be entitled to exercise negative discretion to nullify any grant of PSUs and to cancel any Shares issued with respect thereto up until the date that is two (2) years after the vesting date thereof if the Compensation Committee determines in good faith that the Company's financial statements for any period whose performance was measured as part of the PSUs are, or must be, restated in any manner adverse to the Company or the attainment of any Threshold, Target or Stretch Target goal, or if the Executive committed any of the acts specified in Section 6(a)(i) or 6(a)(ii) of this Agreement. Executive shall not sell or otherwise dispose of any Shares issued pursuant to PSUs until the period applicable to such Shares for exercising negative discretion has lapsed."

12. **Miscellaneous.**

- a. Except as amended and/or restated hereby, all other provisions of the Employment Agreement shall remain unchanged and are in full and force and effect in accordance with their terms and conditions.
- b. In the event of a conflict between this Amendment and the Employment Agreement, this Amendment shall govern.
- c. The Employment Agreement and this Amendment may only be amended further by a written agreement executed by the parties hereto and approved by the Board of Directors of the Employer or a committee of the Board of Directors.
- d. This Amendment may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.
- e. The Employment Agreement, as amended by this Amendment, represents the entire agreement between the parties with respect to the subject matter hereof.

[Next page is signature page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

DIGITAL TURBINE, INC.

By: /s/ Jeff Karish

Name: Jeff Karish

Title: Director, Chairman,

Compensation Committee

WILLIAM STONE

/s/ Bill Stone

William Stone