

As filed with the Securities and Exchange Commission on June 18, 2018

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

FORM S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**QPAGOS**

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

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

**33 - 1230229**  
*(I.R.S. Employer  
Identification Number)*

**Paseo del la Reforma 404 Piso 15 PH  
Juarez, Del. Cuauhtemoc, Mexico, D.F. C.P. 06600  
+52 (55) 55 - 110 - 110**  
*(Address, including ZIP code, and telephone number, including  
area code, of registrant's principal executive office)*

**QPAGOS 2018 STOCK INCENTIVE PLAN**  
*(Full title of the Plan)*

**QPAGOS**  
**Paseo del la Reforma 404 Piso 15 PH  
Juarez, Del. Cuauhtemoc, Mexico, D.F. C.P. 06600  
+52 (55) 55 - 110 - 110**  
*(Name, address and telephone number of agent of services)*

**WITH COPIES TO:**

**Leslie Marlow, Esq.  
Patrick J. Egan, Esq.  
Gracin & Marlow, LLP  
The Chrysler Building  
405 Lexington Avenue, 26<sup>th</sup> Floor  
New York, New York 10174  
(212) 907-6457**

*(Name, address and telephone number)*

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

Large accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

## CALCULATION OF REGISTRATION FEE

<u>Title of Securities to be Registered</u>	<u>Amount to be Registered (1) (2)</u>	<u>Proposed Maximum Offering Price Per Share (3)</u>	<u>Proposed Maximum Aggregate Offering Price (3)</u>	<u>Amount of Registration Fee (4)</u>
Common Stock, par value \$0.001 per share, under the 2018 Stock Incentive Plan	8,000,000	\$ 0.2825	\$ 2,260,000	\$ 281.37

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- (1) The securities to be registered include options and other rights to acquire the common stock of QPAGOS.
- (2) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the "Securities Act"), this registration statement also covers any additional securities that may be offered or issued in connection with any stock split, stock dividend or similar transaction.
- (3) Estimated pursuant to Rule 457(c) and 457(h) of the Securities Act solely for purposes of calculating the registration fee. The price for the shares under the plan is based upon the average of the high and low sale prices of the Common Stock on June 13, 2018, as reported by the OTCQX.
- (4) Calculated under Section 6(b) of the Securities Act as .00012450 of the proposed maximum aggregate offering price.
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## **EXPLANATORY NOTE**

QPAGOS (the “Registrant” or the “Company”) hereby files this Registration Statement on Form S-8 relating to its common stock, par value \$0.001 per share (the “Common Stock”), which have been reserved for issuance and are issuable pursuant to the Company’s 2018 Stock Incentive Plan (hereinafter referred to as the “Plan”).

### **PART I INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

The information specified in Item 1 and Item 2 of Part I of this Registration Statement on Form S-8 (the “Registration Statement”) is omitted from this filing in accordance with the provisions of Rule 428 under the Securities Act of 1933, as amended (the “Securities Act”), and the introductory note to Part I of Form S-8. The documents containing the information specified in Part I will be delivered to the participants in the Plan as required by Rule 428(b)(1). Such documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

### **PART II INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

#### **ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE**

The Securities and Exchange Commission (the “Commission”) allows us to “incorporate by reference” the information we file with it which means that we can disclose important information to you by referring you to those documents instead of having to repeat the information in this prospectus. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), between the date of this prospectus and the termination of the offering:

- Our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Commission on April 17, 2018;
- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 filed with the Commission on May 21, 2018;
- Our Current Reports on Form 8-K filed with the Commission on February 2, 2018, March 6, 2018, March 19, 2018, and May 2, 2018; and
- The description of our common stock set forth in our registration statement on Form 8-A, filed with the Commission on June 9, 2016 (File No. 000-55648).

All documents filed by the Registrant pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the filing of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing such documents, except as to specific sections of such documents as set forth therein. The Registrant is not, however, incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed “filed” with the Commission, including any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or related exhibits furnished pursuant to Item 9.01 of Form 8-K. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in any subsequently filed document that also is deemed to be incorporated by reference herein modifies or supersedes such statement.

#### **ITEM 4. DESCRIPTION OF SECURITIES**

Not applicable.

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## ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not applicable.

## ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 78.138 of the Nevada Revised Statutes provides that a director or officer is not individually liable to the Registrant or its stockholders or creditors for any damages as a result of any act or failure to act in his capacity as a director or officer unless it is proven that (1) his act or failure to act constituted a breach of his fiduciary duties as a director or officer and (2) his breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

This provision is intended to afford directors and officers protection against and to limit their potential liability for monetary damages resulting from suits alleging a breach of the duty of care by a director or officer. As a consequence of this provision, the Registrant's stockholders will be unable to recover monetary damages against directors or officers for action taken by them that may constitute negligence or gross negligence in performance of their duties unless such conduct falls within one of the foregoing exceptions. The provision, however, does not alter the applicable standards governing a director's or officer's fiduciary duty and does not eliminate or limit the right of the Registrant or any of its stockholders to obtain an injunction or any other type of non-monetary relief in the event of a breach of fiduciary duty.

The Registrant's Articles of Incorporation, as amended, and amended and restated bylaws provide for indemnification of directors, officers, employees or agents of the Registrant to the fullest extent permitted by Nevada law (as amended from time to time). Section 78.7502 of the Nevada Revised Statutes provides that such indemnification may only be provided if the person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Registrant and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

## ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

## ITEM 8. EXHIBITS

### Exhibit

Exhibit No.	Description of Document
3.1	Articles of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Registrant's registration statement on Form S-1 (File No. 333-192877) filed with the Securities and Exchange Commission on December 16, 2013)
3.2	Bylaws (Incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K (File No. 333-192877) filed with the Securities and Exchange Commission on May 13, 2016)
3.3	Certificate of Amendment to Articles of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 333-192877) filed with the Securities and Exchange Commission on June 2, 2016)
3.4	Certificate of Amendment to Articles of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 333-192877) filed with the Securities and Exchange Commission on March 6, 2018)
4.1	2018 Incentive Stock Plan*
4.2	Form of Stock Option Grant Notice, Option Agreement and Notice of Exercise*
4.3	Form of Notice of Award of Restricted Stock Units and Restricted Stock Unit Award Agreement*
4.4	Form of Restricted Stock Grant Agreement*
5.1	Opinion of Gracin & Marlow, LLP regarding Legality of Shares*
23.1	Consent of RBSM, LLP, Independent Registered Public Accounting Firm*
23.2	Consent of Gracin & Marlow, LLP (contained in Exhibit 5.1)*
24.1	Power of Attorney of directors and certain officers of the Company (included on the signature page of this Registration Statement)*

\*Filed herewith

## ITEM 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by Section 10(a)(3) of the Securities Act;

ii. To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

iii. To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

2. That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

4. That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

5. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Del. Cuauhtémoc, Mexico, on the 18<sup>th</sup> day of June, 2018.

### QPAGOS

By: /s/ Gaston Pereira

Name: Gaston Pereira

Title: Chief Executive Officer and Interim Chief Financial Officer

### POWER OF ATTORNEY AND SIGNATURES

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gaston Pereira, as his true and lawful attorney-in-fact and agent, with the full power of substitution, for him and in his name, place or stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Gaston Pereira</u> Gaston Pereira	Chief Executive Officer and Interim Chief Financial Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) and Director	June 18, 2018
<u>/s/ Andrey Novikov</u> Andrey Novikov	Director	June 18, 2018
<u>/s/ James Fuller</u> James Fuller	Director	June 18, 2018

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\*Filed herewith

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## QPAGOS

## 2018 Stock Incentive Plan

1. Establishment and Purpose.

The purpose of the QPAGOS 2018 Stock Incentive Plan (the “Plan”) is to promote the interests of the Company and the stockholders of the Company by providing directors, officers, employees and consultants of the Company with appropriate incentives and rewards to encourage them to enter into and continue in the employ or service of the Company, to acquire a proprietary interest in the long-term success of the Company and to reward the performance of individuals in fulfilling long-term corporate objectives.

2. Administration of the Plan.

The Plan shall be administered by the Board of Directors or a Committee appointed by the Board of Directors (the “Plan Administrator”). The Plan Administrator shall have the authority, in its sole discretion, subject to and not inconsistent with the express terms and provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted (including whether an Option granted is an Incentive Stock Option or a Nonqualified Stock Option); to determine the number of shares of stock to which an Award may relate and the terms, conditions, restrictions and performance criteria, if any, relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged or surrendered; to make adjustments in the performance goals that may be required for any award in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company (to the extent not inconsistent with Section 162(m) of the Code, if applicable), or in response to changes in applicable laws, regulations, or accounting principles; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of Agreements; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Plan Administrator may, in its absolute discretion, without amendment to the Plan, (a) accelerate the date on which any Option granted under the Plan becomes exercisable, waive or amend the operation of Plan provisions respecting exercise after termination of employment or otherwise adjust any of the terms of such Option, and (b) accelerate the vesting date, or waive any condition imposed hereunder, with respect to any share of Restricted Stock, or other Award or otherwise adjust any of the terms applicable to any such Award. Notwithstanding the foregoing, and subject to Sections 4(c) and 4(d), neither the Board of Directors, the Plan Administrator nor their respective delegates shall have the authority to re-price (or cancel and/or re-grant) any Option, Stock Appreciation Right or, if applicable, other Award at a lower exercise, base or purchase price without first obtaining the approval of our stockholders.

Subject to Section 162(m) of the Code and except as required by Rule 16b-3 with respect to grants of Awards to individuals who are subject to Section 16 of the Exchange Act, or as otherwise required for compliance with Rule 16b-3 or other applicable law, the Plan Administrator may delegate all or any part of its authority under the Plan to an employee, employees or committee of employees.

Subject to Section 162(m) of the Code and Section 16 of the Exchange Act, to the extent the Plan Administrator deems it necessary, appropriate or desirable to comply with foreign law or practices and to further the purpose of the Plan, the Plan Administrator may, without amending this Plan, establish special rules applicable to Awards granted to Participants who are foreign nationals, are employed outside the United States, or both, including rules that differ from those set forth in the Plan, and grant Awards to such Participants in accordance with those rules.

All decisions, determinations and interpretations of the Plan Administrator (or the Board of Directors if the Plan Administrator is a Committee of the Board) shall be final and binding on all persons with any interest in an Award, including the Company and the Participant (or any person claiming any rights under the Plan from or through any Participant). No member of the Plan Administrator or the Board of Directors shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award.



Notwithstanding anything to the contrary set forth hereinabove, the full extent of the rights and powers of the Plan Administrator shall be set forth herein or if the Plan Administrator is a Committee of the Board, shall be exclusively determined by the Charter established by the Board of Directors for such Committee. As such, to the extent the Charter may require the Committee to seek the approval of the Board of Directors related to any Awards granted hereunder, the Committee shall seek such Board of Directors approval as a condition for any actions to be taken by it.

### 3. Definitions.

- (a) "Agreement" shall mean the written agreement between the Company and a Participant evidencing an Award.
- (b) "Annual Incentive Award" shall mean an Award described in Section 6(g) hereof that is based upon a period of one year or less.
- (c) "Award" shall mean any Option, Restricted Stock, Restricted Stock Unit, Stock Bonus award, Stock Appreciation Right, Performance Award, Other Stock-Based Award or Other Cash-Based Award granted pursuant to the terms of the Plan.
- (d) "Board of Directors" shall mean the Board of Directors of the Company.
- (e) "Cause" shall mean a termination of a Participant's employment by the Company or any of its Subsidiaries due to (i) the continued failure, after written notice, by such Participant substantially to perform his or her duties with the Company or any of its Subsidiaries (other than any such failure resulting from incapacity due to reasonably documented physical illness or injury or mental illness), (ii) the engagement by such Participant in serious misconduct that causes, or in the good faith judgment of the Board of Directors may cause, harm (financial or otherwise) to the Company or any of its Subsidiaries including, without limitation, the disclosure of material secret or confidential information of the Company or any of its Subsidiaries, or (iii) the material breach by the Participant of any agreement between such Participant, on the one hand, and the Company, on the other hand. Notwithstanding the above, with respect to any Participant who is a party to an employment agreement with the Company, Cause shall have the meaning set forth in such employment agreement.
- (f) A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:
  - (i) any Person is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company) representing 30% or more of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below; or
  - (ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a two-thirds of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or
  - (iii) there is consummated a merger or consolidation of the Company with any other corporation other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a re-capitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company) representing 30% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

- (g) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder. References in the Plan to specific sections of the Code shall be deemed to include any successor provisions thereto.
- (h) "Committee" shall mean, at the discretion of the Board of Directors, a Committee of the Board of Directors, which shall consist of two or more persons, each of whom, unless otherwise determined by the Board of Directors, is an "outside director" within the meaning of Section 162(m) of the Code and a "nonemployee director" within the meaning of Rule 16b-3.
- (i) "Company" shall mean QPAGOS, a Nevada corporation, and, where appropriate, each of its Subsidiaries.
- (j) "Company Stock" shall mean the common stock of the Company, par value \$0.001 per share.
- (k) "Disability" shall mean permanent disability as determined pursuant to the Company's long-term disability plan or policy, in effect at the time of such disability.
- (l) "Effective Date" shall mean the date as of which this Plan is adopted by the Board of Directors.
- (m) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.
- (n) The "Fair Market Value" of a share of Company Stock, as of a date of determination, shall mean (1) the closing sales price per share of Company Stock on the national securities exchange on which such stock is principally traded on the date of the grant of such Award, or (2) if the shares of Company Stock are not listed or admitted to trading on any such exchange and if the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a share of Common Stock will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in The Wall Street Journal or such other source as the Plan Administrator deems reliable, or (3) if the shares of Company Stock are not then listed on a national securities exchange or traded in an over-the-counter market or the value of such shares is not otherwise determinable, such value as determined by the Plan Administrator in good faith upon the advice of a qualified valuation expert. In no event shall the fair market value of any share of Company Stock, the Option exercise price of any Option, the appreciation base per share of Company Stock under any Stock Appreciation Right, or the amount payable per share of Company Stock under any other Award, be less than the par value per share of Company Stock.
- (o) "Incentive Stock Option" shall mean an Option that is an "incentive stock option" within the meaning of Section 422 of the Code, or any successor provision, and that is designated by the Plan Administrator as an Incentive Stock Option.
- (p) "Long Term Incentive Award" shall mean an Award described in Section 6(g) hereof that is based upon a period in excess of one year.

- (q) "Nonemployee Director" shall mean a member of the Board of Directors who is not an employee of the Company.
- (r) "Nonqualified Stock Option" shall mean an Option other than an Incentive Stock Option.
- (s) "Option" shall mean an option to purchase shares of Company Stock granted pursuant to Section 6(b).
- (t) "Other Cash-Based Award" shall mean a right or other interest granted to a Participant pursuant to Section 6(g) hereof other than an Other Stock-Based Award.
- (u) "Other Stock-Based Award" shall mean a right or other interest granted to a Participant, valued in whole or in part by reference to, or otherwise based on, or related to, Company Stock pursuant to Section 6(g) hereof, including but not limited to (i) unrestricted Company Stock awarded as a bonus or upon the attainment of performance goals or otherwise as permitted under the Plan, and (ii) a right granted to a Participant to acquire Company Stock from the Company containing terms and conditions prescribed by the Plan Administrator.
- (v) "Participant" shall mean an employee, consultant or director of the Company to whom an Award is granted pursuant to the Plan, and, upon the death of the employee, consultant or director, his or her successors, heirs, executors and administrators, as the case may be.
- (w) "Performance Award" shall mean an Award granted to a Participant pursuant to Section 6(f) hereof.
- (x) "Person" shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, except that such term shall not include (1) the Company, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.
- (y) "Restricted Stock" shall mean a share of Company Stock which is granted pursuant to the terms of Section 6(e) hereof.
- (z) "Retirement" shall mean, in the case of employees, the termination of employment with the Company (other than for Cause) during or after the calendar year in which a Participant has or will reach (i) age 55 with ten years of service with the Company, or (ii) age 60 with five years of service with the Company. "Retirement" shall mean, in the case of directors, the termination of service with the Company (other than for Cause) during or after the calendar year in which a Participant has or will reach age 75 with five years of service with the Company.
- (aa) "Rule 16b-3" shall mean the Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.
- (bb) "Securities Act" shall mean the Securities Act of 1933, as amended from time to time.
- (cc) "Stock Appreciation Right" shall mean the right, granted to a Participant under Section 6(d), to be paid an amount measured by the appreciation in the Fair Market Value of a share of Company Stock from the date of grant to the date of exercise of the right, with payment to be made in cash and/or a share of Company Stock, as specified in the Award or determined by the Plan Administrator.
- (dd) "Stock Bonus" shall mean a bonus payable in shares of Company Stock granted pursuant to Section 6(e) hereof.
- (ee) "Subsidiary" shall mean a "subsidiary corporation" within the meaning of Section 424(f) of the Code.

4. Stock Subject to the Plan.

( a ) Shares Available for Awards. The maximum number of shares of Company Stock reserved for issuance under the Plan (all of which may be granted as Incentive Stock Options) shall be Eight Million (8,000,000) shares. Shares reserved under the Plan may be authorized but unissued Company Stock or authorized and issued Company Stock held in the Company's treasury. The Plan Administrator may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares pursuant to the Plan.

(b) Individual Limitation. To the extent required by Section 162(m) of the Code, the total number of shares of Company Stock subject to Awards awarded to any one Participant during any tax year of the Company, shall not exceed One Million (1,000,000) shares (subject to adjustment as provided herein).

(c) Adjustment for Change in Capitalization. In the event that the Plan Administrator shall determine that any dividend or other distribution (whether in the form of cash, Company Stock, or other property), recapitalization, Company Stock split, reverse Company Stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, makes an adjustment appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Plan Administrator shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (1) the number and kind of shares of Company Stock which may thereafter be issued in connection with Awards, (2) the number and kind of shares of Company Stock, securities or other property (including cash) issued or issuable in respect of outstanding Awards, (3) the exercise price, grant price or purchase price relating to any Award, and (4) the maximum number of shares subject to Awards which may be awarded to any employee during any tax year of the Company; provided that, with respect to Incentive Stock Options, any such adjustment shall be made in accordance with Section 424 of the Code; and provided further that, no such adjustment shall cause any Award hereunder which is or could be subject to Section 409A of the Code to fail to comply with the requirements of such section.

( d ) Reuse of Shares. Except as set forth below, if any shares subject to an Award are forfeited, cancelled, exchanged or surrendered, or if an Award terminates or expires without a distribution of shares to the Participant, the shares of stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, withholding, termination or expiration, again be available for Awards under the Plan. Notwithstanding the foregoing, upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be cancelled to the extent of the number of shares of Company Stock as to which the Award is exercised and such number of shares shall no longer be available for Awards under the Plan. In addition, notwithstanding the foregoing, the shares of stock surrendered or withheld as payment of either the exercise price of an Option (including shares of stock otherwise underlying an Award of a Stock Appreciation Right that are retained by the Company to account for the appreciation base of such Stock Appreciation Right) and/or withholding taxes in respect of an Award shall no longer be available for Awards under the Plan.

5. Eligibility.

The persons who shall be eligible to receive Awards pursuant to the Plan shall be the individuals the Plan Administrator shall select from time to time, who are employees (including officers of the Company and its Subsidiaries, whether or not they are directors of the Company or its Subsidiaries), Nonemployee Directors, and consultants of the Company and its Subsidiaries; provided, that Incentive Stock Options shall be granted only to employees (including officers and directors who are also employees) of the Company or its Subsidiaries.

6. Awards Under the Plan.

( a ) Agreement. The Plan Administrator may grant Awards in such amounts and with such terms and conditions as the Plan Administrator shall determine in its sole discretion, subject to the terms and provisions of the Plan. Each Award granted under the Plan (except an unconditional Stock Bonus) shall be evidenced by an Agreement as the Plan Administrator may in its sole discretion deem necessary or desirable and unless the Plan Administrator determines otherwise, such Agreement must be signed, acknowledged and returned by the Participant to the Company. Unless the Plan Administrator determines otherwise, any failure by the Participant to sign and return the Agreement within such period of time following the granting of the Award as the Plan Administrator shall prescribe shall cause such Award to the Participant to be null and void. By accepting an Award or other benefits under the Plan (including participation in the Plan), each Participant, shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, all provisions of the Plan and the Agreement.

(b) Stock Options.

( i ) Grant of Stock Options. The Plan Administrator may grant Options under the Plan to purchase shares of Company Stock in such amounts and subject to such terms and conditions as the Plan Administrator shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan. The exercise price of the share purchasable under an Option shall be determined by the Plan Administrator, but in no event shall the exercise price be less than the Fair Market Value per share on the grant date of such Option. The date as of which the Plan Administrator adopts a resolution granting an Option shall be considered the day on which such Option is granted unless such resolution specifies a later date.

(ii) Identification. Each Option shall be clearly identified in the applicable Agreement as either an Incentive Stock Option or a Nonqualified Stock Option and shall state the number of shares of Company Stock to which the Option (and/or each type of Option) relates.

(c) Special Requirements for Incentive Stock Options.

(i) To the extent that the aggregate Fair Market Value of shares of Company Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year under the Plan and any other stock option plan of the Company shall exceed \$100,000, such Options shall be treated as Nonqualified Stock Options. Such Fair Market Value shall be determined as of the date on which each such Incentive Stock Option is granted.

(ii) No Incentive Stock Option may be granted to an individual if, at the time of the proposed grant, such individual owns (or is deemed to own under the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company unless (A) the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of a share of Company Stock at the time such Incentive Stock Option is granted and (B) such Incentive Stock Option is not exercisable after the expiration of five years from the date such Incentive Stock Option is granted.

(d) Stock Appreciation Rights.

(i) The Plan Administrator may grant a related Stock Appreciation Right in connection with all or any part of an Option granted under the Plan, either at the time such Option is granted or at any time thereafter prior to the exercise, termination or cancellation of such Option, and subject to such terms and conditions as the Plan Administrator shall from time to time determine in its sole discretion, consistent with the terms and provisions of the Plan, provided, however, that in no event shall the appreciation base of the shares of Company Stock subject to the Stock Appreciation Right be less than the Fair Market Value per share on the grant date of such Stock Appreciation Right. The holder of a related Stock Appreciation Right shall, subject to the terms and conditions of the Plan and the applicable Agreement, have the right by exercise thereof to surrender to the Company for cancellation all or a portion of such related Stock Appreciation Right, but only to the extent that the related Option is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate Fair Market Value of the shares of Company Stock subject to the related Stock Appreciation Right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base of the shares of Company Stock subject to the Stock Appreciation Right or portion thereof surrendered. Upon any exercise of a related Stock Appreciation Right or any portion thereof, the number of shares of Company Stock subject to the related Option shall be reduced by the number of shares of Company Stock in respect of which such Stock Appreciation Right shall have been exercised.

(ii) The Plan Administrator may grant unrelated Stock Appreciation Rights in such amount and subject to such terms and conditions, as the Plan Administrator shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan, provided, however, that in no event shall the appreciation base of the shares of Company Stock subject to the Stock Appreciation Right be less than the Fair Market Value per share on the grant date of such Stock Appreciation Right. The holder of an unrelated Stock Appreciation Right shall, subject to the terms and conditions of the Plan and the applicable Agreement, have the right to surrender to the Company for cancellation all or a portion of such Stock Appreciation Right, but only to the extent that such Stock Appreciation Right is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (x) the aggregate Fair Market Value of the shares of Company Stock subject to the Stock Appreciation Right or portion thereof surrendered (determined as of the exercise date), over (y) the aggregate appreciation base of the shares of Company Stock subject to the Stock Appreciation Right or portion thereof surrendered.

(iii) The grant or exercisability of any Stock Appreciation Right shall be subject to such conditions as the Plan Administrator, in its sole discretion, shall determine.

(e) Restricted Stock and Stock Bonus.

(i) The Plan Administrator may grant Restricted Stock awards, alone or in tandem with other Awards under the Plan, subject to such restrictions, terms and conditions, as the Plan Administrator shall determine in its sole discretion and as shall be evidenced by the applicable Agreements. The vesting of a Restricted Stock award granted under the Plan may be conditioned upon the completion of a specified period of employment or service with the Company or any Subsidiary, upon the attainment of specified performance goals, and/or upon such other criteria as the Plan Administrator may determine in its sole discretion.

(ii) Each Agreement with respect to a Restricted Stock award shall set forth the amount (if any) to be paid by the Participant with respect to such Award and when and under what circumstances such payment is required to be made.

(iii) The Plan Administrator may, upon such terms and conditions as the Plan Administrator determines in its sole discretion, provide that a certificate or certificates representing the shares underlying a Restricted Stock award shall be registered in the Participant's name and bear an appropriate legend specifying that such shares are not transferable and are subject to the provisions of the Plan and the restrictions, terms and conditions set forth in the applicable Agreement, or that such certificate or certificates shall be held in escrow by the Company on behalf of the Participant until such shares become vested or are forfeited. Except as provided in the applicable Agreement, no shares underlying a Restricted Stock award may be assigned, transferred, or otherwise encumbered or disposed of by the Participant until such shares have vested in accordance with the terms of such Award.

(iv) If and to the extent that the applicable Agreement may so provide, a Participant shall have the right to vote and receive dividends on the shares underlying a Restricted Stock award granted under the Plan. Unless otherwise provided in the applicable Agreement, any stock received as a dividend on or in connection with a stock split of the shares underlying a Restricted Stock award shall be subject to the same restrictions as the shares underlying such Restricted Stock award.

(v) The Plan Administrator may grant Stock Bonus awards, alone or in tandem with other Awards under the Plan, subject to such terms and conditions as the Plan Administrator shall determine in its sole discretion and as may be evidenced by the applicable Agreement.

(f) Performance Awards.

(i) The Plan Administrator may grant Performance Awards, alone or in tandem with other Awards under the Plan, to acquire shares of Company Stock in such amounts and subject to such terms and conditions as the Plan Administrator shall from time to time in its sole discretion determine, subject to the terms of the Plan. To the extent necessary to satisfy the short-term deferral exception to Section 409A of the Code, unless the Plan Administrator shall determine otherwise, the Performance Awards shall provide that payment shall be made within 2 1/2 months after the end of the year in which the Participant has a legally binding vested right to such award.

(ii) In the event that the Plan Administrator grants a Performance Award or other Award (other than Nonqualified Stock Option or Incentive Stock Option or a Stock Appreciation Right) that is intended to constitute qualified performance-based compensation within the meaning Section 162(m) of the Code, the following rules shall apply (as such rules may be modified by the Plan Administrator to conform with Section 162(m) of the Code and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions thereto): (a) payments under the Performance Award shall be made solely on account of the attainment of one or more objective performance goals established in writing by the Plan Administrator not later than 90 days after the commencement of the period of service to which the Performance Award relates (but in no event after 25% of the period of service has elapsed); (b) the performance goal(s) to which the Performance Award relates shall be based on one or more of the following business criteria applied to the Participant and/or a business unit or the Company and/or a Subsidiary: (1) business development progress, (2) sales, (3) sales growth, (4) earnings growth, (5) cash flow or cash position, (6) gross margins, (7) stock price, (8) financings (issuance of debt or equity), (9) market share, (10) total stockholder return, (11) net revenues, (12) earnings per share of Company Stock; (13) net income (before or after taxes), (14) return on assets, (15) return on sales, (16) equity or investment, (17) improvement of financial ratings, (18) achievement of balance sheet or income statement objectives, (19) total stockholder return, (20) earnings from continuing operations; levels of expense, cost or liability, (21) earnings before all or any interest, taxes, depreciation and/or amortization (“EBIT”, “EBITA” or “EBITDA”), (22) cost reduction goals, (23) business development goals (including without limitation product launches and other business development-related opportunities), (24) identification or consummation of investment opportunities or completion of specified projects in accordance with corporate business plans, including strategic mergers, acquisitions or divestitures, (25) meeting specified market penetration or value added goals, (26) any combination of, or a specified increase or decrease of one or more of the foregoing over a specified period, and (27) such other criteria as the stockholders of the Company may approve; in each case as applicable, as determined in accordance with generally accepted accounting principles; and (c) once granted, the Plan Administrator may not have discretion to increase the amount payable under such Award, provided, however, that whether or not an Award is intended to constitute qualified performance-based compensation within the meaning of Section 162(m) of the Code, the Plan Administrator, to the extent provided by the Plan Administrator at the time the Award is granted or as otherwise permitted under Section 162(m) of the Code, shall have the authority to make appropriate adjustments in performance goals under an Award to reflect the impact of extraordinary items not reflected in such goals. For purposes of the Plan, extraordinary items shall be defined as (1) any profit or loss attributable to acquisitions or dispositions of stock or assets, (2) any changes in accounting standards that may be required or permitted by the Financial Accounting Standards Board or adopted by the Company after the goal is established, (3) all items of gain, loss or expense for the year related to restructuring charges for the Company, (4) all items of gain, loss or expense for the year determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business, (5) all items of gain, loss or expense for the year related to discontinued operations that do not qualify as a segment of a business as defined in APB Opinion No. 30, and (6) such other items as may be prescribed by Section 162(m) of the Code and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions and any changes thereto. The Plan Administrator shall, prior to making payment under any award under this Section 6(f), certify in writing that all applicable performance goals have been attained. Notwithstanding anything to the contrary contained in the Plan or in any applicable Agreement, no dividends or dividend equivalents will be paid with respect to unvested Performance Awards.

(g) Other Stock-Based Award; Cash-Based Award; Restricted Stock Units

- (i) Other Stock-Based Awards; Cash-Based Awards. The Plan Administrator is authorized to grant Awards to Participants in the form of Other Stock-Based Awards or Other Cash-Based Awards, as deemed by the Plan Administrator to be consistent with the purposes of the Plan. To the extent necessary to satisfy the short-term deferral exception to Section 409A of the Code, unless the Plan Administrator shall determine otherwise, the awards shall provide that payment shall be made within 2½ months after the end of the year in which the Participant has a legally binding vested right to such award. With respect to Other Cash-Based Awards intended to qualify as performance based compensation under Section 162(m) of the Code, (i) the maximum value of the aggregate payment that any Participant may receive with respect to any such Other Cash-Based Award shall be in such amounts and subject to such terms and conditions as the Board of Directors or the Plan Administrator shall determine; (ii) the maximum value of the aggregate payment that any Participant may receive with respect to any such Other Cash-Based Award that is a Long-Term Incentive Award is the highest amount paid pursuant to clause (i) above multiplied by a fraction, the numerator of which is the number of months in the performance period and the denominator of which is twelve, and (iii) such additional rules set forth in Section 6(f) applicable to Awards intended to qualify as performance-based compensation under Section 162(m) shall apply. The Plan Administrator may establish such other rules applicable to the Other Stock-Based Awards or Cash-Based Awards to the extent not inconsistent with Section 162(m) of the Code.

(ii) Grant of Restricted Stock Units. A restricted stock unit (“Restricted Stock Unit”) represents the right to receive from the Company on the respective scheduled vesting or payment date for such Restricted Stock Unit, one share of Common Stock, or in the Plan Administrator’s discretion, the payment of cash for each unit in an amount equal to the price of one share of Common Stock. An Award of a Restricted Stock Unit may be subject to the attainment of specified performance goals or targets, forfeitability provisions and such other terms and conditions as the Plan Administrator may determine, subject to the provisions of this Plan. At the time an Award of Restricted Stock Units is made, the Plan Administrator shall establish a period of time during which the restricted stock units shall vest and the timing for settlement of the Restricted Stock Unit, which shall be set forth in the applicable Restricted Stock Unit award agreement.

(iii) Dividend Equivalent Accounts–Restricted Stock Units. Subject to the terms and conditions of this Plan and the applicable Restricted Stock Unit award agreement, as well as any procedures established by the Plan Administrator, prior to the expiration of the applicable vesting period of an Restricted Stock Unit, the Plan Administrator may determine to pay dividend equivalent rights with respect to Restricted Stock Units, in which case, the Company shall establish an account for the participant and reflect in that account any securities, cash or other property comprising any dividend or property distribution with respect to the shares of Common Stock underlying each Restricted Stock Unit. Each amount or other property credited to any such account shall be subject to the same vesting conditions as the Restricted Stock Unit to which it relates. The participant shall have the right to be paid the amounts or other property credited to such account upon vesting of the subject Restricted Stock Unit.

(iv) Rights as a Stockholder–Restricted Stock Units. Subject to the restrictions imposed under the terms and conditions of this Plan and the applicable Restricted Stock Unit award agreement, each participant receiving Restricted Stock Units shall have no rights as a stockholder with respect to such Restricted Stock Units until such time as shares of Common Stock are issued to the participant. No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside a fund for the payment of any such award. Except as otherwise provided in the applicable award agreement, shares of Common Stock issuable under an Restricted Stock Unit shall be treated as issued on the first date that the holder of the Restricted Stock Unit is no longer subject to a substantial risk of forfeiture as determined for purposes of Section 409A of the Code, and the holder shall be the owner of such shares of Common Stock on such date. An award agreement may provide that issuance of shares of Common Stock under an Restricted Stock Unit may be deferred beyond the first date that the Restricted Stock Unit is no longer subject to a substantial risk of forfeiture, provided that such deferral is structured in a manner that is intended to comply with the requirements of Section 409A of the Code.



(h) Exercisability of Awards; Cancellation of Awards in Certain Cases.

(i) Except as hereinafter provided, each Agreement with respect to an Option or Stock Appreciation Right shall set forth the period during which and the conditions subject to which the Option or Stock Appreciation Right evidenced thereby shall be exercisable, and each Agreement with respect to a Restricted Stock award, Stock Bonus award, Performance Award or other Award shall set forth the period after which and the conditions subject to which amounts underlying such Award shall vest or be deliverable, all such periods and conditions to be determined by the Plan Administrator in its sole discretion.

(ii) Except as provided in Section 7(d) hereof, no Option or Stock Appreciation Right may be exercised and no shares of Company Stock underlying any other Award under the Plan may vest or become deliverable more than ten years after the date of grant (the "Stated Expiration Date").

(iii) Except as provided in Section 7 hereof, no Option or Stock Appreciation Right may be exercised and no shares of common stock underlying any other Award under the Plan may vest or become deliverable unless the Participant is at such time in the employ (for Participants who are employees) or service (for Participants who are Nonemployee Directors or consultants) of the Company or a Subsidiary (or a company, or a parent or subsidiary company of such company, issuing or assuming the relevant right or award in a Change in Control) and has remained continuously so employed or in service since the relevant date of grant of the Award.

(iv) An Option or Stock Appreciation Right shall be exercisable by the filing of a written notice of exercise or a notice of exercise in such other manner with the Company, on such form and in such manner as the Plan Administrator shall in its sole discretion prescribe, and by payment in accordance with Section 6(i) hereof.

(v) Unless the applicable Agreement provides otherwise, the "Option exercise date" and the "Stock Appreciation Right exercise date" shall be the date that the written notice of exercise, together with payment, are received by the Company.

(i) Payment of Award Price.

(i) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion otherwise determines, any written notice of exercise of an Option or Stock Appreciation Right must be accompanied by payment of the full Option or Stock Appreciation Right exercise price.

(ii) Payment of the Option exercise price and of any other payment required by the Agreement to be made pursuant to any other Award shall be made in any combination of the following: (a) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Plan Administrator), (b) with the consent of the Plan Administrator in its sole discretion, by personal check (subject to collection) which may in the Plan Administrator's discretion be deemed conditional, (c) unless otherwise provided in the applicable Agreement, and as permitted by the Plan Administrator, by delivery of previously-acquired shares of common stock owned by the Participant having a Fair Market Value (determined as of the Option exercise date, in the case of Options, or other relevant payment date as determined by the Plan Administrator, in the case of other Awards) equal to the portion of the exercise price being paid thereby; and/or (d) unless otherwise provided in applicable agreement, and as permitted by the Plan Administrator, on a net-settlement basis with the Company withholding the amount of common stock sufficient to cover the exercise price and tax withholding obligation. Payment in accordance with clause (a) of this Section 6(i)(ii) may be deemed to be satisfied, if and to the extent that the applicable Agreement so provides or the Plan Administrator permits, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Company Stock to be acquired pursuant to the Award to pay for all of the Company Stock to be acquired pursuant to the Award and an authorization to the broker or selling agent to pay that amount to the Company and to effect such sale at the time of exercise or other delivery of shares of Company Stock.

7. Termination of Employment.

(a) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, upon termination of a Participant's employment or service with the Company and its Subsidiaries by the Company or its Subsidiary for Cause (or in the case of a Nonemployee Director upon such Nonemployee Director's failure to be renominated as Nonemployee Director of the Company), the portions of outstanding Options and Stock Appreciation Rights granted to such Participant that are exercisable as of the date of such termination of employment or service shall remain exercisable, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof that is vested as of the date of such termination of employment or service, may be given, for a period of thirty (30) days from and including the date of termination of employment or service (and shall thereafter terminate). All portions of outstanding Options or Stock Appreciation Rights granted to such Participant which are not exercisable as of the date of such termination of employment or service, and any other outstanding Award which is not vested as of the date of such termination of employment or service shall terminate upon the date of such termination of employment or service.

(b) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, upon termination of the Participant's employment or service with the Company and its Subsidiaries for any reason other than as described in subsection (a), (c), (d) or (e) hereof, the portions of outstanding Options and Stock Appreciation Rights granted to such Participant that are exercisable as of the date of such termination of employment or service shall remain exercisable for a period of ninety (90) days (and shall terminate thereafter), and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of termination of employment or service may be given, for a period of ninety (90) days from and including the date of termination of employment or service (and shall terminate thereafter). All additional portions of outstanding Options or Stock Appreciation Rights granted to such Participant which are not exercisable as of the date of such termination of employment or service, and any other outstanding Award which is not vested as of the date of such termination of employment or service shall terminate upon the date of such termination of employment or service.

(c) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, if the Participant voluntarily Retires with the consent of the Company or the Participant's employment or service terminates due to Disability, all outstanding Options, Stock Appreciation Rights and all other outstanding Awards (except, in the event a Participant voluntarily Retires, with respect to Awards (other than Options and Stock Appreciation Rights) intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code) granted to such Participant shall continue to vest in accordance with the terms of the applicable Agreements. The Participant shall be entitled to exercise each such Option or Stock Appreciation Right and to make any payment, give any notice or to satisfy other condition under each such other Award, in each case, for a period of six months from and including the later of (i) date such entire Award becomes vested or exercisable in accordance with the terms of such Award and (ii) the date of Retirement, and thereafter such Awards or parts thereof shall be canceled. Notwithstanding the foregoing, the Plan Administrator may in its sole discretion provide for a longer or shorter period for exercise of an Option or Stock Appreciation Right or may permit a Participant to continue vesting under an Option, Stock Appreciation Right or Restricted Stock award or to make any payment, give any notice or to satisfy other condition under any other Award. The Plan Administrator may in its sole discretion, and in accordance with Section 409A of the Code, determine (i) for purposes of the Plan, whether any termination of employment or service is a voluntary Retirement with the Company's consent or is due to Disability for purposes of the Plan, (ii) whether any leave of absence (including any short-term or long-term Disability or medical leave) constitutes a termination of employment or service, or a failure to have remained continuously employed or in service, for purposes of the Plan (regardless of whether such leave or status would constitute such a termination or failure for purposes of employment law), (iii) the applicable date of any such termination of employment or service, and (iv) the impact, if any, of any of the foregoing on Awards under the Plan.

(d) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, if the Participant's employment or service terminates by reason of death, or if the Participant's employment or service terminates under circumstances providing for continued rights under subsection (b), (c) or (e) of this Section 7 and during the period of continued rights described in subsection (b), (c) or (e) the Participant dies, all outstanding Options, Restricted Stock and Stock Appreciation Rights granted to such Participant shall vest and become fully exercisable, and any payment or notice provided for under the terms of any other outstanding Award may be immediately paid or given and any condition may be satisfied, by the person to whom such rights have passed under the Participant's will (or if applicable, pursuant to the laws of descent and distribution) for a period of one year from and including the date of the Participant's death and thereafter all such Awards or parts thereof shall be canceled.

(e) Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, upon termination of a Participant's employment or service with the Company and its Subsidiaries (i) by the Company or its Subsidiaries without Cause (including, in case of a Nonemployee Director, the failure to be elected as a Nonemployee Director) or (ii) by the Participant for "good reason" or any like term as defined under any employment agreement with the Company or a Subsidiary to which a Participant may be a party to, the portions of outstanding Options and Stock Appreciation Rights granted to such Participant which are exercisable as of the date of termination of employment or service of such Participant shall remain exercisable, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of termination of employment or service may be given, for a period of three (3) months from and including the date of termination of employment or service and shall terminate thereafter. Unless the applicable Agreement provides otherwise or the Plan Administrator in its sole discretion determines otherwise, any other outstanding Award shall terminate as of the date of such termination of employment or service.

(f) Notwithstanding anything in this Section 7 to the contrary, no Option or Stock Appreciation Right may be exercised and no shares of Company Stock underlying any other Award under the Plan may vest or become deliverable past the Stated Expiration Date.

8. Effect of Change in Control.

Unless otherwise determined in an Award Agreement, in the event of a Change in Control:

(a) With respect to each outstanding Award that is assumed or substituted in connection with a Change in Control, in the event of a termination of a Participant's employment or service by the Company without Cause during the 24-month period following such Change in Control, on the date of such termination (i) such Award shall become fully vested and, if applicable, exercisable, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved at target levels.

(b) With respect to each outstanding Award that is not assumed or substituted in connection with a Change in Control, immediately upon the occurrence of the Change in Control, (i) such Award shall become fully vested and, if applicable, exercisable, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved at target levels.

(c) For purposes of this Section 8, an Award shall be considered assumed or substituted for if, following the Change in Control, the Award remains subject to the same terms and conditions that were applicable to the Award immediately prior to the Change in Control except that, if the Award related to Shares, the Award instead confers the right to receive common stock of the acquiring entity.

(d) Notwithstanding any other provision of the Plan: (i) in the event of a Change in Control, except as would otherwise result in adverse tax consequences under Section 409A of the Code, the Board may, in its sole discretion, provide that each Award shall, immediately upon the occurrence of a Change in Control, be cancelled in exchange for a payment in cash or securities in an amount equal to (x) the excess of the consideration paid per Share in the Change in Control over the exercise or purchase price (if any) per Share subject to the Award multiplied by (y) the number of Shares granted under the Award and (ii) with respect to any Award that constitutes a deferral of compensation subject to Section 409A of the Code, in the event of a Change in Control that does not constitute a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company under Section 409A(a)(2)(A) (v) of the Code and regulations thereunder, such Award shall be settled in accordance with its original terms or at such earlier time as permitted by Section 409A of the Code.

9. Miscellaneous.

(a) Agreements evidencing Awards under the Plan shall contain such other terms and conditions, not inconsistent with the Plan, as the Plan Administrator may determine in its sole discretion, including penalties for the commission of competitive acts or other actions detrimental to the Company. Notwithstanding any other provision hereof, the Plan Administrator shall have the right at any time to deny or delay a Participant's exercise of Options if such Participant is reasonably believed by the Plan Administrator (i) to be engaged in material conduct adversely affecting the Company or (ii) to be contemplating such conduct, unless and until the Plan Administrator shall have received reasonable assurance that the Participant is not engaged in, and is not contemplating, such material conduct adverse to the interests of the Company.

(b) participants are and at all times shall remain subject to the trading window policies adopted by the Company from time to time throughout the period of time during which they may exercise Options, Stock Appreciation Rights or sell shares of Company Stock acquired pursuant to the Plan.

10. No Special Employment Rights, No Right to Award.

(a) Nothing contained in the Plan or any Agreement shall confer upon any Participant any right with respect to the continuation of employment or service by the Company or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or service or to increase or decrease the compensation of the Participant.

(b) No person shall have any claim or right to receive an Award hereunder. The Plan Administrator's granting of an Award to a Participant at any time shall neither require the Plan Administrator to grant any other Award to such Participant or other person at any time or preclude the Plan Administrator from making subsequent grants to such Participant or any other person.

11. Securities Matters.

(a) The Company shall be under no obligation to effect the registration pursuant to the Securities Act of any interests in the Plan or any shares of Company Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Company Stock pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Company Stock are traded. The Plan Administrator may require, as a condition of the issuance and delivery of certificates evidencing shares of Company Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Plan Administrator, in its sole discretion, deems necessary or desirable.

(b) The transfer of any shares of Company Stock hereunder shall be effective only at such time as counsel to the Company shall have determined that the issuance and delivery of such shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Company Stock are traded. The Plan Administrator may, in its sole discretion, defer the effectiveness of any transfer of shares of Company Stock hereunder in order to allow the issuance of such shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Plan Administrator shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of such deferral in connection with the exercise of an Award, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

12. Withholding Taxes.

(a) Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto.

(b) Whenever shares of Company Stock are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. With the approval of the Plan Administrator, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Company Stock having a value equal to the minimum amount of tax required to be withheld. Such shares shall be valued at their Fair Market Value on the date of which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award.

13. Non-Competition and Confidentiality.

By accepting Awards and as a condition to the exercise of Awards and the enjoyment of any benefits of the Plan, including participation therein, each Participant agrees to be bound by and subject to non-competition, confidentiality and invention ownership agreements acceptable to the Plan Administrator or any officer or director to whom the Plan Administrator elects to delegate such authority.

14. Notification of Election Under Section 83(b) of the Code.

If any Participant shall, in connection with the acquisition of shares of Company Stock under the Plan, make the election permitted under Section 83(b) of the Code, such Participant shall notify the Company of such election within 10 days of filing notice of the election with the Internal Revenue Service.

15. Amendment or Termination of the Plan.

The Board of Directors or the Plan Administrator may, at any time, suspend or terminate the Plan or revise or amend it in any respect whatsoever; provided, however, that the requisite stockholder approval shall be required if and to the extent the Board of Directors or Plan Administrator determines that such approval is appropriate or necessary for purposes of satisfying Sections 162(m) or 422 of the Code or Rule 16b-3 or other applicable law. Awards may be granted under the Plan prior to the receipt of such stockholder approval of the Plan but each such grant shall be subject in its entirety to such approval and no Award may be exercised, vested or otherwise satisfied prior to the receipt of such approval. No amendment or termination of the Plan may, without the consent of a Participant, adversely affect the Participant's rights under any outstanding Award.

16. Transfers Upon Death; Nonassignability.

(a) A Participant may file with the Plan Administrator a written designation of a beneficiary on such form as may be prescribed by the Plan Administrator and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, upon the death of a Participant, outstanding Awards granted to such Participant may be exercised only by the executor or administrator of the Participant's estate or by a person who shall have acquired the right to such exercise by will or by the laws of descent and distribution. No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Plan Administrator shall have been furnished with written notice thereof and with a copy of the will and/or such evidence as the Plan Administrator may deem necessary to establish the validity of the transfer and an agreement by the transferee to comply with all the terms and conditions of the Award that are or would have been applicable to the Participant and to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

(b) During a Participant's lifetime, the Plan Administrator may, in its discretion, pursuant to the provisions set forth in this clause (b), permit the transfer, assignment or other encumbrance of an outstanding Option unless such Option is an Incentive Stock Option and the Plan Administrator and the Participant intends that it shall retain such status. Subject to the approval of the Plan Administrator and to any conditions that the Plan Administrator may prescribe, a Participant may, upon providing written notice to the General Counsel of the Company, elect to transfer any or all Options granted to such Participant pursuant to the Plan to members of his or her immediate family, including, but not limited to, children, grandchildren and spouse or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners; provided, however, that no such transfer by any Participant may be made in exchange for consideration. Any such transferee must agree, in writing, to be bound by all provisions of the Plan.

17. Effective Date and Term of Plan.

The Plan shall become effective on the Effective Date, but the Plan shall be subject to the requisite approval of the stockholders of the Company at the Company's next Annual Meeting of its stockholders. In the absence of such approval, such Awards shall be null and void. Unless earlier terminated by the Board of Directors, the right to grant Awards under the Plan shall terminate on the tenth anniversary of the Effective Date. Awards outstanding at Plan termination shall remain in effect according to their terms and the provisions of the Plan.

18. Applicable Law.

Except to the extent preempted by any applicable federal law, the Plan shall be construed and administered in accordance with the laws of the State of Nevada, without reference to its principles of conflicts of law.

19. Participant Rights.

(a) No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment for Participants. Except as provided specifically herein, a Participant or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by any award until the date of the issuance of a Company Stock certificate to him or her for such shares.

(b) Determinations by the Plan Administrator under the Plan relating to the form, amount and terms and conditions of grants and Awards need not be uniform, and may be made selectively among persons who receive or are eligible to receive grants and awards under the Plan, whether or not such persons are similarly situated.

20. Unfunded Status of Awards.

The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company.

21. No Fractional Shares.

No fractional shares of Company Stock shall be issued or delivered pursuant to the Plan. The Plan Administrator shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

22. Interpretation.

The Plan is designed and intended to the extent applicable, to comply with Section 162(m) of the Code, and to provide for grants and other transactions which are exempt under Rule 16b-3, and all provisions hereof shall be construed in a manner to so comply. Awards under the Plan are intended to comply with Code Section 409A to the extent subject thereto and the Plan and all Awards shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of the Plan. Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under Code Section 409A and becomes payable by reason of a Participant's termination of employment or service with the Company will be made to such Participant until such Participant's termination of employment or service constitutes a "separation from service" (as defined in Code Section 409A). For purposes of this Plan, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Code Section 409A. If a participant is a "specified employee" (as defined in Code Section 409A), then to the extent necessary to avoid the imposition of taxes under Code Section 409A, such Participant shall not be entitled to any payments upon a termination of his or her employment or service until the earlier of: (i) the expiration of the six (6)-month period measured from the date of such Participant's "separation from service" or (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 22 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Plan will be paid in accordance with the normal payment dates specified for them herein.

\*\*\*\*\*

Approved and adopted by the Board of Directors this 16<sup>th</sup> day of April, 2018.





**Other Agreements:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

**QPAGOS**

**Optionholder:**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachments:** Option Agreement, 2018 Stock Incentive Plan and Notice of Exercise



**FORM OF  
QPAGOS  
OPTION AGREEMENT  
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)**

Pursuant to your Stock Option Grant Notice (“**Grant Notice**”) and this Option Agreement, **QPAGOS** (the “**Company**”) has granted you an option under its 2018 Stock Incentive Plan (the “**Plan**”) to purchase the number of shares of the Company’s Common Stock (the “**Company Stock**”) indicated in your Grant Notice at the exercise price indicated in your Grant Notice. Defined terms not explicitly defined in this Option Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option are as follows:

1. **VESTING SCHEDULE.** Your option shall vest and become exercisable at the time or times set forth in the accompanying Grant Notice. In the event of a Change in Control, vesting of your option (if any) shall be as set forth in the Plan unless vesting upon a Change in Control is set forth in the Grant Notice, in which case the Grant Notice will govern the option vesting schedule notwithstanding the provisions of Section 15 herein.

2. **NUMBER OF SHARES AND EXERCISE PRICE.** The number of shares of Company Stock subject to your option and your exercise price per share referenced in your Grant Notice may be adjusted from time to time for certain events, including such as stock dividends, split ups, mergers, spin-offs and the other events specified in the Plan.

3. **METHOD OF PAYMENT .** You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner permitted by your Grant Notice, which may include one or more of the following:

(a) Provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a “broker-assisted exercise”, “same day sale”, or “sell to cover”.

(b) Provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. “Delivery” for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock.

(c) If this option is a Nonstatutory Stock Option, subject to the consent of the Company at the time of exercise, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of your option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the “net exercise” in cash or other permitted form of payment. Shares of Common Stock will no longer be outstanding under your option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the “net exercise,” (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your tax withholding obligations.

4. **WHOLE SHARES.** You may exercise your option only for whole shares of Company Stock.

5. **SECURITIES LAW COMPLIANCE.** Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the shares of Company Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Company Stock are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

6. **TERM.** You may not exercise your option before the commencement or after the expiration of its term. The term of your option commences on the Date of Grant and unless otherwise specified in the Grant Notice expires upon the earliest of:

- (a) Pursuant to the terms of your employment or consulting arrangement;
- (b) The Expiration Date indicated in your Grant Notice; or
- (c) The day before the tenth (10<sup>th</sup>) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant of your option and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate (defined as any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act), except in the event of your death or Disability.

7. **EXERCISE.**

(a) You may exercise the vested portion of your option during its term or as set forth in Section 1, if applicable, by delivering the attached Notice of Exercise together with the exercise price to the Chief Executive Officer, the Chief Financial Officer and/or the Chief Operating Officer of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require. Each election to exercise this option shall be in writing, signed by you, and delivered or mailed to the Chief Executive Officer or the Chief Financial Officer of the Company, or to such other person as the Company may designate, at the Company's principal Office located at Paseo del la Reforma, 404 Piso 15 PH Col. Juarez, Del. Cuauhtemoc, Mexico, D.F. C.P. 06600. The address for and the recipient of such Notice of Exercise may be changed in the Company's sole discretion and any such changes will be communicated to you. In the event an option is exercised by the executor or administrator of your estate, by a Beneficiary, or by the person or person to whom the option has been transferred by your will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver Company Stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are your duly appointed executor or administrator or the person to whom the option has been transferred by your will or by the applicable laws of descent and distribution.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (1) the exercise of your option, (2) the lapse of any substantial risk of forfeiture to which the shares of Company Stock are subject at the time of exercise, or (3) the disposition of shares of Company Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Company Stock issued upon exercise of your option that occurs within two (2) years after the date of your option grant or within one (1) year after such shares of Company Stock are transferred upon exercise of your option.

#### 8. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the Date of Grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

#### 9. TRANSFERABILITY.

(a) If your option is an Incentive Stock Option, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, you shall have the right to designate a Beneficiary or Beneficiaries who shall be entitled to any rights, payments or other benefits specified under the option following your death, or in the absence of an authorized Beneficiary designation, by the legatee of the option under your will or by your estate in accordance with your will or the laws of descent and distribution, in each case in the same manner and to the same extent that the option was exercisable by you on the date of your death.

(b) If your option is a Nonstatutory Stock Option, your option is not transferable, except (i) by will or by the laws of descent and distribution, (ii) by instrument to a Beneficiary, (iii) by instrument to an *inter vivos* or testamentary trust (or other entity) in which the option is to be passed to your designated beneficiaries; and (iv) with the prior written approval of the Company, by gift, in a form acceptable by the Company.

10. **OPTION NOT A SERVICE CONTRACT.** Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an affiliate, or of the Company or an affiliate to continue your employment. In addition, nothing in your option shall obligate the Company or an affiliate, their respective stockholders, Boards of Directors, officers or employees to continue any relationship that you might have as a Director or consultant for the Company or an affiliate.

11. **WITHHOLDING OBLIGATIONS.**

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company shall have no obligation to issue a certificate for such shares of Company Stock or release such shares of Company Stock from any escrow provided for herein unless such obligations are satisfied.

12. **TAX CONSEQUENCES.** You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You shall not make any claim against the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the Fair Market Value per share of the Company Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option.

13. **NOTICES.** Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

14. **GOVERNING PLAN DOCUMENT.** Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.

15. **OTHER DOCUMENTS.** You hereby acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

16. **RIGHTS OF OPTIONEE.** This Agreement does not entitle you to any voting rights or, except for the foregoing notice provisions, any other rights as a stockholder of the Company. No dividends are payable or will accrue on your option or the shares of Company Stock purchasable under this Agreement until, and except to the extent that, your option are exercised. Upon the surrender of your option and payment of the Exercise Price as provided above, the person or entity entitled to receive the shares of the Company Stock issuable upon such exercise shall be treated for all purposes as the record holder of such shares as of the close of business on the date of the surrender of your option for exercise as provided above. Upon the exercise of your option, you shall have all of the rights of a stockholder in the Company.

17. **GOVERNING LAW.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada without giving effect to its principles governing conflicts of law.

\* \* \*

This Option Agreement will be deemed to be signed by you upon the signing by you of  
the Grant Notice to which it is attached.

**NOTICE OF EXERCISE**

**QPAGOS**

Date of Exercise: \_\_\_\_\_

Ladies and Gentlemen:

This constitutes notice under my stock option award that I elect to purchase the number of shares for the price set forth below.

Type of option (check one):	Incentive <input type="checkbox"/>	Nonstatutory <input type="checkbox"/>
Stock option dated:	_____	_____
Number of Shares as to which option is exercised:	_____	_____
Certificates to be issued in name of:	_____	_____
Total exercise price:	\$ _____	\$ _____
Cash payment delivered herewith:	\$ _____	\$ _____
Value of Shares delivered herewith:	\$ _____	\$ _____
Value of Shares pursuant to net exercise:	\$ _____	\$ _____
Regulation T Program (cashless exercise):	\$ _____	\$ _____

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the QPAGOS 2018 Stock Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option, and (iii) if this exercise relates to an Incentive Stock Option, to notify you in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of this option that occurs within two (2) years after the date of grant of this option or within one (1) year after such Shares are issued upon exercise of this option.

Very truly yours,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**QPAGOS  
FORM OF  
NOTICE OF AWARD OF RESTRICTED STOCK UNITS  
2018 STOCK INCENTIVE PLAN**

**QPAGOS**, a Nevada corporation (the “**Company**”), awards to the undersigned (the “**Participant**”) the following restricted stock units to acquire shares (the “**Shares**”) of the common stock of the Company, par value \$0.001 per share (the “**Common Stock**”), pursuant to the Company’s 2018 Stock Incentive Plan (the “**Plan**”):

Participant: [name of Participant]

Total Number of Restricted Stock Units (each Restricted Stock Unit represents the right to receive one share of Common Stock on the applicable vesting date): [# of Restricted Stock Units]

Award Date: [ ]

Vesting Commencement Date: [ ]

Vesting Schedule: The Total Number of Restricted Stock Units shall vest and become exercisable in [ ] installments commencing on the Award Date, subject to Participant continuing to be an employee or service provider through each such date. For the avoidance of doubt, the Restricted Stock Units shall vest as follows: [ ].

Final Exercise Date: The [ ] anniversary of the Award Date, however, any unvested Restricted Stock Units may expire earlier pursuant to Section 2 of the Restricted Stock Unit Award Agreement if the Participant’s relationship with the Company is terminated.

These Restricted Stock Units are awarded under and governed by the terms and conditions of the Plan and the Restricted Stock Unit Award Agreement, both of which are incorporated herein by reference. By signing below, the Participant accepts these Restricted Stock Units, acknowledges receipt of a copy of the Plan and the Restricted Stock Unit Award Agreement, and agrees to the terms thereof.

**NAME**

**QPAGOS:**

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_



**QPAGOS**  
**FORM OF**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**Awarded under the 2018 Stock Incentive Plan**

QPAGOS, a Nevada corporation (the “**Company**”), has awarded to you the Restricted Stock Units (“**RSUs**”) specified in the Notice of Award of Restricted Stock Units above (the “**Notice**”), which is incorporated into this Restricted Stock Unit Award Agreement (the “**Agreement**”) and deemed to be a part hereof. The RSUs have been awarded to you under Section 6(g) of the Company’s 2018 Stock Incentive Plan (the “**Plan**”), on the terms and conditions specified in the Notice and this Agreement. Capitalized terms that are not otherwise defined herein or in the Notice shall have the meanings given to such terms in the Plan.

1. **RESTRICTED STOCK UNIT AWARD**

The Board of Directors of QPAGOS (the “**Board**”) has awarded to you on the Award Date an Award of RSUs as designated herein subject to the terms, conditions, and restrictions set forth in this Agreement and the Plan. Each RSU shall represent the conditional right to receive, upon settlement of the RSU, one share of common stock of the Company (the “**Common Stock**”) (subject to any tax withholding as described in Section 3). RSUs include the right to receive dividend equivalents as specified in Section 4 (“**Dividend Equivalents**”). The purpose of such Award is to motivate and retain you as an employee of the Company or a subsidiary of the Company, to encourage you to continue to give your best efforts for the Company’s future success, and to increase your proprietary interest in the Company. Except as may be required by law, you are not required to make any payment (other than payments for taxes pursuant to Section 3 hereof) or provide any consideration other than the rendering of future services to the Company or a subsidiary of the Company.

2. **RESTRICTIONS, FORFEITURES, AND SETTLEMENT**

Except as otherwise provided in this Section 2, RSUs shall be subject to the restrictions and conditions set forth herein during the Restricted Period (as defined below). Vesting of the RSUs is conditioned upon you remaining continuously employed by the Company or a subsidiary of the Company following the Award Date until the relevant vesting date, subject to the provisions of this Section 2. Assuming satisfaction of such employment conditions, the RSUs will become vested and nonforfeitable as follows: [ ].

In the event you attain Retirement age while still an employee of the Company or a subsidiary, all unvested RSUs held by you at least one year from the Award Date will become vested and non-forfeitable, and thereafter, so long as you remain an employee of the Company or a subsidiary after attaining Retirement age, all other RSUs will become 100% vested one year from the Award Date.

- (a) **Nontransferability.** During the Restricted Period and any further period prior to settlement of your RSUs, you may not sell, transfer, pledge or assign any of the RSUs or your rights relating thereto.
- (b) **Time of Settlement.** RSUs shall be settled promptly upon expiration of the Restricted Period without forfeiture of the RSUs (i.e., upon vesting) by delivery of one share of Common Stock for each RSU being settled; provided, however, that settlement of an RSU shall be subject to the Plan, including if applicable the six-month delay rule in the Plan pursuant to Section 409A of the Code. *(Note: This rule may apply to any portion of the RSUs that vests after the time you become Retirement eligible under the Plan, and could apply in other cases as well).* Settlement of RSUs or cash amounts that directly or indirectly result from Dividend Equivalents on RSUs or adjustments to RSUs shall occur at the time of settlement of, and subject to the restrictions and conditions that apply to, the awarded RSU. Until shares are delivered to you in settlement of RSUs, you shall have none of the rights of a stockholder of the Company with respect to the shares issuable in settlement of the RSUs, including the right to vote the shares and receive actual dividends and other distributions on the underlying shares of Common Stock. Shares of stock issuable in settlement of RSUs shall be delivered to you upon settlement in certificated form or in such other manner as the Company may reasonably determine.
- (c) **Retirement and Death.** In the event of your Retirement (as that term is defined in the Plan or your death while employed by the Company prior to the end of the Restricted Period, your RSUs shall become fully vested. In the event of your death prior to the delivery of shares in settlement of RSUs (not previously forfeited), shares in settlement of your RSUs shall be delivered to your estate, upon presentation to the Board of letters testamentary or other documentation satisfactory to the Board, and your estate shall succeed to any other rights provided hereunder in the event of your death.

- (d) Termination not for Cause/ Termination Following Change in Control. Upon termination of your employment or service with the Company and its Subsidiaries such that you are no longer either an employee or consultant to the Company (i) by the Company or its Subsidiaries without Cause (including, in case of a Nonemployee Director, the failure to be elected as a Nonemployee Director) or (ii) by you for “Good Reason” as defined below) or the Company without Cause during the two year period following a Change in Control (as defined in the Plan), the Restricted Period and all remaining restrictions shall expire and the RSUs shall be deemed fully vested; provided that you have been continuously employed by the Company for at least two years and you sign a general release and, where deemed applicable by the Company, a non-compete and/or a non-solicitation agreement. For purposes of this Agreement “Good Reason” shall have the definition set forth in your employment agreement with the Company and if there is no definition in your employment agreement with the Company then “good reason” shall mean the occurrence of any of the following events without your consent: (i) a material reduction in your base salary; (ii) a material breach by the Company of the terms of your employment agreement with the Company; (iii) a material reduction in your duties, authority and responsibilities relative to your duties, authority, and responsibilities in effect immediately prior to such reduction; or (iv) the relocation of your principal place of employment, without your consent, in a manner that lengthens your one-way commute distance by [ ] or more miles from your then-current principal place of employment immediately prior to such relocation.
- (e) Disability. In the event you become Disabled (as that term is defined in your employment agreement with the Company or if there is no definition in your employment agreement with the Company then the definition shall be the definition in the Plan), for the period during which you continue to be deemed to be employed by the Company or a subsidiary (i.e., the period during which you receive Disability benefits), you will not be deemed to have terminated employment for purposes of the RSUs. Upon the termination of your receipt of Disability benefits, (i) you will not be deemed to have terminated employment if you return to employment status, and (ii) if you do not return to employment status, you will be deemed to have terminated employment at the date of cessation of payments to you under all disability pay plans of the Company and its subsidiaries, with such termination treated for purposes of the RSUs as a Retirement or death.
- (f) Other Termination of Employment. In the event of your voluntary termination, or termination by the Company for Cause (as defined in the Plan or your employment agreement with the Company) or misconduct or other conduct deemed by the Company to be detrimental to the interests of the Company, you shall forfeit all unvested RSUs on the date of termination.
- (g) Other Terms.
- (i) You may, at any time prior to the expiration of the Restricted Period, waive all rights with respect to all or some of the RSUs by delivering to the Company a written notice of such waiver.
  - (ii) Termination of employment includes any event if immediately thereafter you are no longer an employee of the Company or any subsidiary of the Company, subject to Section 2(h) hereof. References in this Section 2 to employment by the Company include employment by a subsidiary of the Company. Termination of employment means an event after which you are no longer employed by the Company or any subsidiary of the Company. Such an event could include the disposition of a subsidiary or business unit by the Company or a subsidiary.
  - (iv) Upon any termination of your employment, any RSUs as to which the Restricted Period has not expired at or before such termination shall be forfeited. Other provisions of this Agreement notwithstanding, in no event will an RSU that has been forfeited thereafter vest or be settled.
- (h) The following events shall not be deemed a termination of employment:
- (i) A transfer of you from the Company to a subsidiary, or vice versa, or from one subsidiary to another;

- (ii) A leave of absence, duly authorized in writing by the Company, for military service or sickness or for any other purpose approved by the Company if the period of such leave does not exceed ninety (90) days; and
- (iii) A leave of absence in excess of ninety (90) days, duly authorized in writing, by the Company, provided your right to reemployment is guaranteed either by a statute or by contract.

However, failure of you to return to active service with the Company or a subsidiary at the end of an approved leave of absence shall be deemed a termination of employment. During a leave of absence as defined in (ii) or (iii), although you will be considered to have been continuously employed by the Company or a subsidiary and not to have had a termination of employment under this Section 2, the Board may specify that such leave period shall not be counted in determining the period of employment for purposes of the vesting of the RSUs. In such case, the vesting dates for unvested RSUs shall be extended by the length of any such leave of absence.

### 3. TAXES

At such time as the Company is required to withhold taxes with respect to the RSUs, or at an earlier date as determined by the Company, you shall make remittance to the Company of an amount sufficient to cover such taxes or make such other arrangement regarding payments of such taxes as are satisfactory to the Board. The Company and its subsidiaries shall, to the extent permitted by law, have the right to deduct such amount from any payment of any kind otherwise due to you, including by means of mandatory withholding of shares deliverable in settlement of your RSUs to satisfy the mandatory tax withholding requirements. When the Dividend Equivalents you receive under Section 4, if any, become payable to you, they will be compensation (wages) for tax purposes and will be included on your W-2 form. The Company will be required to withhold applicable taxes on such Dividend Equivalents. The Company may deduct such taxes either from the gross Dividend Equivalents payable on such RSUs or from any other cash payments to be made to or on account of you or may require you to make prompt remittance to the Company of such tax amounts. Any cash payment to you under Section 4 of the Agreement will be included in your W-2 form as compensation and subject to applicable tax withholding.

### 4. DIVIDEND EQUIVALENTS AND ADJUSTMENTS

- (a) Dividend Equivalents shall be paid or credited on RSUs (other than RSUs that, at the relevant record date, previously have been settled or forfeited) as follows, except that the Board may specify an alternative treatment from that specified in (i), (ii), or (iii) below for any dividend or distribution:
  - (i) *Cash Dividends.* If the Company declares and pays a dividend or distribution on Common Stock in the form of cash, then you will be credited with a cash amount as of the payment date for such dividend or distribution equal to the number of RSUs credited to you as of the record date for such dividend or distribution multiplied by the amount of cash actually paid as a dividend or distribution on each outstanding share of Common Stock at such payment date. Any amounts credited under this Section 4(a)(i) shall be subject to the restrictions and conditions that apply to the RSU with respect to which the amounts are credited and will be payable when the underlying RSU becomes payable. If the underlying RSU does not vest or is forfeited, any amounts credited under this Section 4(a)(i) with respect to the underlying RSU will also fail to vest and be forfeited.
  - (ii) *Non-Share Dividends.* If the Company declares and pays a dividend or distribution on Common Stock in the form of property other than shares, then a number of additional RSUs shall be credited to you as of the payment date for such dividend or distribution equal to the number of RSUs credited to you as of the record date for such dividend or distribution multiplied by the Fair Market Value of such property actually paid as a dividend or distribution on each outstanding share of Common Stock at such payment date, divided by the Fair Market Value of a share at such payment date. Any RSUs credited to you under this Section 4(a)(ii) shall be subject to the restrictions and conditions that apply to the RSU with respect to which the RSUs are credited and will be payable when the underlying RSU becomes payable. If the underlying RSU does not vest or is forfeited, any RSUs credited under this Section 4(a)(ii) with respect to the underlying RSU will also fail to vest and be forfeited. You will be eligible to receive Dividend Equivalents on any RSUs credited to you under this Section 4(a)(ii).

(iii) *Common Stock Dividends and Splits.* If the Company declares and pays a dividend or distribution on Common Stock in the form of additional shares, or there occurs a forward split of Common Stock, then a number of additional RSUs shall be credited to you as of the payment date for such dividend or distribution or forward split equal to the number of RSUs credited to you as of the record date for such dividend or distribution or split multiplied by the number of additional shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding share of Common Stock. Any RSUs credited to you under this Section 4(a)(iii) shall be subject to the restrictions and conditions that apply to the RSU with respect to which the RSUs are credited and will be payable when the underlying RSU becomes payable. If the underlying RSU does not vest or is forfeited, any RSUs credited under this Section 4(a)(iii) with respect to the underlying RSU will also fail to vest and be forfeited. You will be eligible to receive Dividend Equivalents on any RSUs credited to you under this Section 4(a)(iii).

(b) The number of your RSUs and other related terms shall be appropriately adjusted, in order to prevent dilution or enlargement of your rights with respect to RSUs, to reflect any changes in the outstanding shares of Common Stock resulting from any event referred to in Section 3(c) of the Plan, taking into account any RSUs credited to you in connection with such event under Section 4(a).

#### 5. EFFECT ON OTHER BENEFITS

In no event shall the value, at any time, of the RSUs or any other payment under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company unless otherwise specifically provided for in such plan.

#### 6. NO RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan or this Agreement shall confer on you any right to continue in the employ of the Company or any subsidiary or any specific position or level of employment with the Company or any subsidiary or affect in any way the right of the Company or any subsidiary to terminate your employment without prior notice at any time for any reason or no reason.

#### 7. ADMINISTRATION; UNFUNDED OBLIGATIONS

The Board shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement, and all such Board determinations shall be final, conclusive, and binding upon the Company, you, and all interested parties. Any provision for distribution in settlement of your RSUs and other obligations hereunder (including cash amounts set aside under Section 4(a)(i)) shall be by means of bookkeeping entries on the books of the Company and shall not create in you or any beneficiary any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for you or any beneficiary. You and any of your beneficiaries entitled to any settlement or distribution hereunder shall be a general creditor of the Company.

#### 8. AMENDMENT

This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that the Award which is the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

#### 9. SEVERABILITY AND VALIDITY

The various provisions of this Agreement are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

#### 10. GOVERNING LAW

Except to the extent preempted by any applicable federal law, this Agreement shall be construed and administered in accordance with the laws of the State of Nevada, without reference to its principles of conflicts of law. The parties shall resolve all disputes, controversies and differences which may arise between the parties, out of or in relation to or in connection with this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, after discussion in good faith attempting to reach an amicable solution. Such discussion will begin immediately after one party has delivered to the other party a request for discussion. If the dispute, controversy, or claim cannot be resolved within 30 days following the date on which the request for discussion is delivered, then it will be finally settled by arbitration held in Durham, North Carolina in accordance with the latest Rules of the American Arbitration Association. Such arbitration shall be conducted by one arbitrator appointed as follows: each party will appoint one arbitrator and the appointed arbitrators shall appoint the deciding arbitrator. The decision of the tribunal shall be final and may not be appealed. The arbitral tribunal may, in its discretion award fees and costs as part of its award. Judgment on the arbitral award may be entered by any court of competent jurisdiction, including any court that has jurisdiction over either of the party or any of their assets.



12. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

13. DATA PRIVACY

By entering into this agreement, you (i) authorize the Company, and any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its subsidiaries such information and data as the Company or any such subsidiary shall request in order to facilitate the award of RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize the company to store and transmit such information in electronic form.

14. ENTIRE AGREEMENT AND NO ORAL MODIFICATION OR WAIVER

This Agreement contains the entire understanding of the parties. This Agreement shall not be modified or amended except in writing duly signed by the parties, except that the Company may adopt a modification or amendment to the Agreement that is not materially adverse to you in writing signed only by the Company. Any waiver of any right or failure to perform under this Agreement shall be in writing signed by the party granting the waiver and shall not be deemed a waiver of any subsequent failure to perform.

**PARTICIPANT**

**QPAGOS:**

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

I, the Participant, have read this Agreement in its entirety. I understand that this Award has been granted to provide a means for me to acquire and/or expand an ownership position in QPAGOS, and it is expected that, if applicable, I will retain the stock I receive upon the vesting of this award consistent with the Company's share retention guidelines. I acknowledge and agree that sales of shares will be subject to the Company's policy regulating trading by employees. In accepting this Award, I hereby agree that such broker-dealer as the Company may choose to administer the Plan, may provide the Company with any and all account information

**FORM OF  
QPAGOS  
RESTRICTED STOCK GRANT AGREEMENT  
2018 STOCK INCENTIVE PLAN**

This **Restricted Stock Grant Agreement** is dated as of [                    ], 201[        ] (this "Agreement"), and is between QPAGOS, a Nevada corporation ("QPAGOS"), and [                    ], an individual ("Grantee").

WHEREAS, Grantee is [                    ]. QPAGOS considers Grantee's continued services to QPAGOS to be important to its growth, and consequently QPAGOS wishes to grant to Grantee, shares of QPAGOS restricted common stock, subject to the terms of this Agreement.

The parties therefore agree as follows:

1. Grant of Stock. QPAGOS hereby issues to Grantee [                    ] shares of QPAGOS common stock, subject to vesting as provided in section 2 (those shares and any securities issued in respect of or as replacements for those shares, the "Shares") pursuant to the QPAGOS 2018 Stock Incentive Plan (the "Plan");

2. Vesting. The Shares will vest as follows: [                    ].

3. Adjustment. If shares of QPAGOS common stock are subdivided or combined into a greater or smaller number of shares, or QPAGOS pays any stock dividend or otherwise issues any securities in respect of QPAGOS common stock, or upon a merger, consolidation, reorganization, split-up, combination, or recapitalization or the like of QPAGOS, or upon exchange of shares of QPAGOS common stock or other securities issued in respect of QPAGOS common stock for other securities of QPAGOS or of another corporation, all references under this Agreement to the Shares, Vested Shares, or Shares will be appropriately adjusted or revised to reflect that change.

4. Shareholder Rights. Subject to the terms of this Agreement, Grantee has all the rights of a shareholder with respect to the Shares, including without limitation the right to vote the Shares and to receive any cash dividends declared on the Shares.

5. Compliance With Securities Laws. (a) Grantee represents that he is acquiring the Shares on his/her own account for the purpose of investment and not with a view to, or for sale in connection with, distribution of any Shares.

(b) Subject to restrictions on transferability of the Shares stated elsewhere in this Agreement, Grantee shall not sell, transfer, assign, pledge, encumber, or otherwise dispose of any Shares or any beneficial interest therein unless (1) the Shares or beneficial interest, as the case may be, that he proposes to dispose of are registered in an effective registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), or (2) if required by QPAGOS, QPAGOS has received an opinion, in form and substance satisfactory to QPAGOS, from QPAGOS's legal counsel to the effect that disposition of those Shares or that beneficial interest, as the case may be, does not require registration under the Securities Act, or any applicable state securities laws.

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(c) Grantee acknowledges that neither QPAGOS nor any agent of QPAGOS is required to recognize any transfer of any Shares if, in the opinion of counsel for QPAGOS, that transfer would result in violation by QPAGOS of any federal or state law with respect to the offering, issuance, or sale of securities.

(d) At the written request of QPAGOS or any managing underwriter of any underwritten public offering of securities of QPAGOS, Grantee will not, without the prior written consent of QPAGOS or any such managing underwriter, sell, make any short sale of, loan, grant any option for the purchase of, QPAGOS or otherwise encumber, or otherwise dispose of, any Shares during the 180 day period commencing on the effective date of the registration statement relating to any such underwritten public offering of securities.

(e) QPAGOS is entitled to endorse the certificates representing the Shares with the following legends:

- (1) “The securities represented hereby have not been registered under the Securities Act of 1933, as amended, or any state securities laws and neither the securities nor any interest therein may be offered, sold, transferred, pledged or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or state securities laws or an exemption from registration under the Securities Act and state securities laws that, in the opinion of counsel for QPAGOS is available.”
- (2) “Transferability of the shares represented by this certificate is subject to the terms of the Restricted Stock Grant Agreement dated [ ], between QPAGOS and Grantee. A copy of that Agreement is on file at the offices of Paseo del la Reforma, 404 Piso 15PH, Juarez, Del. Cuauhtemoc, Mexico, D.F.C.P. 06600.”

6. Waiver of Jury Trial. Each party hereby waives any right to a jury trial and any right to claim or recover punitive damages.

7. No Effect on Service. Nothing contained in this Agreement confers on Grantee any right with respect to continuation by QPAGOS as a director or interferes in any way with the right of QPAGOS at any time to terminate Grantee’s appointment as a director by QPAGOS, subject to the terms of any provision of law, or QPAGOS’s organizational documents, to the contrary.

8. Taxes/Section 83(b) Election. (a) Because Grantee is a non-employee director, QPAGOS will not make any provision for the withholding of federal, state, or local taxes in connection with the grant or vesting of the Shares QPAGOS will provide Grantee with a completed IRS Form 1099 reporting non-employee compensation and certain other payments made to Grantee by QPAGOS for Grantee’s service as a director, including payments in connection with the Shares. Grantee is responsible for his tax obligations in connection with the grant and vesting of the Shares, and the Company recommends that Grantee consult with his tax advisor



(b) Grantee understands that under section 83 of the Internal Revenue Code of 1986, as amended (the “Code”), as of the date that any forfeiture restrictions applicable to any Shares lapse, the excess of the fair market value of those Shares on that date over the purchase price paid for those Shares will be reportable as ordinary income. Grantee understands, however, that he may elect to be taxed at the time the Shares are acquired under this Agreement, rather than when the Shares cease to be subject to the forfeiture restrictions of this Agreement, by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days after the date of this Agreement.

(c) Grantee acknowledges that it is his sole responsibility, and not QPAGOS’s, to file a timely election under section 83(b), even if Grantee requests that QPAGOS or its representatives make this filing on Grantee’s behalf.

9. Assignment. Neither party may assign any rights or delegate any obligations under this Agreement except with the prior written consent of the other party.

10. Binding. This Agreement binds and inures to the benefit of the parties and their respective permitted successors and assigns.

11. Governing Law. The laws of the State of Nevada (without giving effect to principles of conflict of laws) govern all matters arising out of this Agreement, including without limitation tort claims.

12. Entirety of Agreement. This Agreement constitutes the entire Agreement of the parties concerning the subject matter of this Agreement and supersedes all prior agreements, if any.

13. Amendment. This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that the award which is the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

14. Notices. (a) Every notice or other communication required or contemplated by this Agreement must be in writing and sent by one of the following methods:

- i. personal delivery, in which case delivery will be deemed to occur the day of delivery;
- ii. certified or registered mail, postage prepaid, return receipt requested, in which case delivery will be deemed to occur the day it is officially recorded by the U.S. Postal Service as delivered to the intended recipient; or
- iii. next-day delivery to a U.S. address by recognized overnight delivery service such as Federal Express, in which case delivery will be deemed to occur upon receipt.

(b) In each case, a notice or other communication sent to a party must be directed to the address for that party set forth below, or to another address designated by that party by written notice:

If to QPAGOS:

QPAGOS  
Paseo del la Reforma, 404 Piso 15PH,  
Juarez, Del. Cuauhtemoc, Mexico, D.F.C.P. 06600

with a copy to:

Gracin & Marlow, LLP  
The Chrysler Building  
405 Lexington Avenue, 25<sup>th</sup> Floor  
New York, New York 10174  
Attention: Leslie Marlow

If to Grantee:

[       ]

To the address set forth in QPAGOS' records

15. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which together constitute one and the same instrument.

The undersigned are signing this Agreement on the date stated in the introductory clause.

QPAGOS

By: \_\_\_\_\_  
Name: Gaston Pereira  
Title: Chief Executive Officer

GRANTEE:

\_\_\_\_\_  
[       ]  
\_\_\_\_\_  
\_\_\_\_\_

(Grantee's Address)

GRACIN & MARLOW, LLP  
The Chrysler Building  
405 Lexington Avenue, 26th Floor  
New York, New York 10174  
Telephone (212) 907-6457  
Facsimile: (212) 208-4657

June 18, 2018

The Board of Directors  
QPAGOS  
Paseo del la Reforma 404 Piso 15 PH  
Juarez, Del. Cuauhtemoc, Mexico, D.F. C.P. 06600

Re: Registration Statement on Form S-8

Gentlemen:

We refer to the Registration Statement on Form S-8 (the "Registration Statement") filed on the date hereof by QPAGOS, a Nevada corporation (the "Company"), with the Securities and Exchange Commission (the "SEC") with respect to the registration of up to an aggregate of 8,000,000 shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"), to be issued in connection with the Company's 2018 Stock Incentive Plan (the "Plan").

As counsel to the Company, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the Nevada Revised Statutes, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Nevada, any other laws, or as to any matters of municipal law or the laws of any local agencies within any state.

We have made such examination as we have deemed necessary for the purpose of this opinion. Based upon such examination, it is our opinion, that, when the Registration Statement has become effective under the Securities Act of 1933, as amended (the "Securities Act"), and when the shares of Common Stock to be issued are sold and paid for in the manner described in the Plan, the Common Stock so issued will be validly issued, fully paid and non-assessable.

This opinion is given as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act, and the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Gracin & Marlow, LLP

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Consent of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of  
QPAGOS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated April 17, 2018, which includes an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern, relating to the consolidated financial statements of QPAGOS appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

/s/ RBSM LLP

Henderson, Nevada  
June 18, 2018

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