

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

FORM 8-K

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

Date of Report (Date of earliest event reported): October 28, 2024

XTI AEROSPACE, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-36404
(Commission File Number)

88-0434915
(I.R.S. Employer
Identification No.)

8123 InterPort Blvd., Suite C
Englewood, CO
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: (800) 680-7412

N/A
(Former name or former address, if changed since last report)

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

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

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	XTIA	The Nasdaq Capital Market

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

Emerging growth company

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

Item 3.02 Unregistered Sales of Equity Securities.

XTI Aerospace, Inc. (the “Company”) agreed to issue 3,662,790 shares of common stock (the “Preferred Exchange Shares”) to a holder of shares of the Company’s Series 9 Preferred Stock, at an effective price per share of \$0.086, in exchange for the return and cancellation of 300 shares of Series 9 Preferred Stock with an aggregate stated value of \$315,000, pursuant to the terms and conditions of an exchange agreement dated October 29, 2024. The Preferred Exchange Shares will be issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended, on the basis that (a) the Preferred Exchange Shares will be issued in exchange for other outstanding securities of the Company; (b) there was no additional consideration delivered by the holder in connection with the exchange; and (c) there were no commissions or other remuneration paid by the Company in connection with the exchange.

As of October 29, 2024, after taking into account the issuance of the Preferred Exchange Shares, the Company has 68,380,698 shares of common stock outstanding.

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

On October 30, 2024, the Company announced that, effective as of October 28, 2024, the board of directors (the “Board”) of the Company appointed Jennifer Gaines as the Company’s Chief Legal Officer.

Jennifer Gaines, 54, brings over 25 years of in-house counsel experience spanning diverse industries, including technology, telecommunications, aerospace, and private equity. From April 2024 until she joined the Company, Ms. Gaines served as Head of Legal and Compliance, U.S., at Nemetschek Group, a developer and distributor of software for planning, designing, building and managing buildings and real estate. Prior to that, she was Regional General Counsel and Corporate Secretary – Americas at Software ONE, Inc. (March 2022 to April 2024), General Counsel and Corporate Secretary at Shift Technologies, Inc. (January 2021 to July 2021), and Chief Legal and Human Resources Officer at OneSource Virtual, Inc. (January 2018 to October 2020). From August 2008 to January 2017, she held various legal roles at Patriarch Partners, LLC, a private equity firm, including Vice President and Special Counsel and Director of Legal Services. Prior to her employment at Patriarch Partners, Ms. Gaines was Senior Vice President, General Counsel and Secretary at Handango, Inc. (November 2006 to December 2008), Deputy General Counsel at First Command Financial Services, Inc. (May to December 2006), and Vice President, General Counsel and Secretary at Securix Technologies, Inc. (August 2003 to November 2004). From December 1996 to August 2003, she held various legal roles of increasing responsibility at WebLink Wireless, Inc., including Vice President, General Counsel and Secretary, and Deputy General Counsel and Director of Regulatory Affairs. Ms. Gaines has a J.D. from the University of Tulsa and a B.A. from Baylor University.

In connection with her appointment as Chief Legal Officer, the Company entered into an employment agreement with Ms. Gaines on October 28, 2024, effective as of such date, which sets forth the terms of Ms. Gaines’s services as Chief Legal Officer and her compensation arrangement (the “Employment Agreement”). Pursuant to the terms of the Employment Agreement, Ms. Gaines is entitled to receive an annual base salary of \$300,000, which may be increased by the Board from time to time in its sole discretion. Ms. Gaines is also entitled to receive an annual cash bonus of up to 60% of her base salary, subject to the achievement of performance criteria to be subsequently agreed between Ms. Gaines and the Company. The Board will determine and award the annual cash bonus within 30 days after the end of each calendar year during Ms. Gaines’s employment period.

Pursuant to the Employment Agreement, Ms. Gaines is also eligible to participate in the Company’s incentive stock option plan, received an initial stock option grant (as described below), and may receive additional stock options or other equity incentives in the sole discretion of the Board. In addition, Ms. Gaines is entitled to vacation time, paid holidays, sick days and personal days in accordance with the Company’s policies applicable to other senior executives of the Company; provided that she is entitled to five weeks of vacation annually. Ms. Gaines is also eligible to participate in all benefit plans and programs maintained by the Company for the benefit of its senior executives. In addition, the Company agreed to reimburse Ms. Gaines for all reasonable and necessary business expenses incurred by her in connection with the performance of her duties under the Employment Agreement within a reasonable period of time after Ms. Gaines’s submission of expense vouchers, in accordance with Company’s expense reimbursement policies.

Ms. Gaines's employment agreement term ends on December 31, 2025, with two automatic one-year extensions (each, a "Renewal Period"), subject to either Ms. Gaines or the Company providing six months' prior notice to the other party of such notifying party's election not to extend Ms. Gaines' employment for the upcoming Renewal Period. The Employment Agreement provides that Ms. Gaines's receipt of compensation following termination of employment is subject to her execution of a release releasing all claims against the Company and its executives, directors and employees, other than as prohibited by law. If Ms. Gaines is terminated without cause (other than due to death or disability) or if she resigns for good reason (as such terms are defined in the Employment Agreement), then Ms. Gaines will be entitled to (i) a severance payment equivalent to the lesser of (a) the base salary that would have been paid to her through the end of the employment period or (b) 12 months of base salary, (ii) payment for any unused vacation accrued to the date of termination, (iii) payment for any accrued but unpaid expenses through the date of termination and (iv) any benefits to which she may be entitled upon termination pursuant to the terms of any applicable plans and programs or as may be required by applicable law. If Ms. Gaines terminates for good reason, in addition to the foregoing compensation and benefits, she is entitled to receive reimbursements of premium payments for continuation coverage under applicable state or federal law, in the event she elects such continuation coverage, for the remainder of her employment period, or, if longer, for a period of six months after termination of employment. The Employment Agreement also includes provisions governing Company confidential information. If Ms. Gaines is terminated for cause, then immediately following such termination, she is entitled only to any unpaid compensation and unreimbursed expenses.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

In connection with Ms. Gaines's appointment, the Company entered into its standard form of indemnification agreement with Ms. Gaines. The form of the indemnification agreement was previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2024, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

There is no arrangement or understanding pursuant to which Ms. Gaines was appointed to the position of Chief Legal Officer of the Company other than as set forth in the Employment Agreement. There are no family relationships between Ms. Gaines and any director or executive officer of the Company, and Ms. Gaines has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Pursuant to the Employment Agreement, the Compensation Committee of the Board granted Ms. Gaines stock options to purchase 1,171,875 shares of the Company's common stock under the Company's 2018 Employee Stock Incentive Plan, as amended. The stock options have a grant date of October 28, 2024, and an exercise price of \$0.473 per share. The stock options vest 1/3rd annually over three years starting from the grant date, and expire ten years after the grant date.

The foregoing description of the stock option award does not purport to be complete and is qualified in its entirety by reference to the full text of the form of Incentive Stock Option Agreement filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2021, a copy of which is filed as Exhibit 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On October 30, 2024, the Company issued a press release announcing the appointment of Ms. Gaines as the Company's Chief Legal Officer. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 7.01 of this Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
10.1+	Employment Agreement, dated October 28, 2024, by and between XTI Aerospace, Inc. and Jennifer Gaines.
10.2	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on March 15, 2024).
10.3	2018 Employee Stock Incentive Plan Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed with the on March 31, 2021).
99.1	Press Release, dated October 30, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

+ Indicates a management contract or compensatory plan, contract or arrangement.

SIGNATURE

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

XTI AEROSPACE, INC.

Date: October 30, 2024

By: /s/ Brooke Turk

Name: Brooke Turk

Title: Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “*Agreement*”) is made and entered into this 28th day of October 2024 (the “*Effective Date*”), as defined in this Agreement, by and between XTI Aerospace, Inc. (the “*Company*”) and Jennifer Gaines, an individual residing at [***] (“*Executive*”).

WHEREAS, Company now desires to employ Executive to provide services to the “*Company*” (as defined herein) for the period and upon the terms and conditions set forth herein, and Executive agrees to provide such services in such capacity; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth below, the parties hereby agree as follows:

1. **Role.** The Company will employ the Executive as its Chief Legal Officer. Executive hereby accepts such employment, on the terms and conditions hereinafter set forth.

2. **Term.** The period of employment of Executive by the Company under this Agreement (the “*Employment Period*”) shall commence on the Effective Date and continue until December 31, 2025, with two automatic one-year extensions (each, a “*Renewal Period*”), subject to either party providing six-months’ prior notice) to the other party of such notifying party’s election not to extend Executive’s employment for the upcoming Renewal Period. For the avoidance of doubt, as used in this Agreement the term “*Employment Period*” shall also refer to the Renewal Periods. The Employment Period may be sooner terminated by either party in accordance with Sections 6 or 7 of this Agreement.

3. **Position and Duties.** During the Employment Period, the Executive shall report to the Company’s Chief Executive Officer (“CEO”). Executive shall have such powers and duties as set forth in this Agreement and as may be prescribed by the CEO. Executive’s duties and responsibilities shall include but not be limited to broad oversight and management over the Company’s legal matters including but not limited to Corporate Governance and Compliance, including without limitation Securities and Exchange Commission (“SEC”) laws, Nasdaq rules and regulations, Sarbanes-Oxley Act (SOX) requirements and other regulations affecting public companies, overseeing the Company’s corporate governance policies, working with the Chief Financial Officer to manage board meetings, assisting the Secretary as necessary with Board minutes; securities law, reporting and disclosures, quarterly, annual and current SEC filings; capital raising and financing; risk management; litigation oversight, contracts and commercial agreements, mergers and acquisitions, oversight of intellectual property management, labor and employment matters, and regulatory affairs and oversight and management of the Company’s outside legal advisors. Executive’s scope of work shall include the goals described in connection with the Cash Bonus Criteria to be mutually agreed by the parties and when so agreed, will be attached as Schedule A hereto.

(a) Executive shall devote full-time to perform Executive’s duties and responsibilities hereunder. Provided, however, Executive shall be permitted to continue with existing responsibilities listed on Schedule B hereto to the extent such activities do not interfere with the performance by Executive of their duties and responsibilities hereunder.

4. **Place of Performance.** Executive’s principal place of employment shall be at the Company’s offices in Ft. Worth, Texas and their personal office in [***].

5. Compensation and Related Matters.

(a) Salary. During the Employment Period, Executive's base salary shall be Three Hundred Thousand Dollars (\$300,000) per annum or such higher rate as the Board may determine from time to time in its sole discretion (the "***Base Salary***"), which salary shall be payable by the Company in regular equal consecutive installments in accordance with the Company's general payroll practices in effect from time to time.

(b) Expenses. Company shall reimburse Executive for all reasonable and necessary travel, business entertainment and other business expenses incurred by Executive in connection with the performance of Executive's duties for Company under this Agreement in accordance with Company's policies with respect thereto. Such reimbursements shall be made by Company within a reasonable time after submission by Executive of vouchers in accordance with Company's standard procedures.

(c) Stock Options and Bonus. Executive will be included as a participant in the incentive stock option plan (the "Stock Option Plan") with options or other forms of equity incentives available consistent with the plan, Executive's position, and their ownership in the Company. The initial stock option grant will be 1,171,875 stock options at a strike price of \$0.473, vested ratably over 3 years. In addition to Executive's participation in the Stock Option Plan: (i) the Company also may issue to Executive additional stock options or other equity incentives in the sole discretion of the Board; and (ii) Executive shall be entitled to an annual cash bonus up to 60% of their Base Salary subject to the performance criteria to be agreed between Executive and the Company subsequent to the date hereof. The Board of Directors shall determine and shall award the annual cash bonus within 30 days after the end of each calendar year of the Employment Period for that calendar year.

(d) Vacation, Sick Days, Holidays. Executive shall be entitled to vacation time and paid holidays that are provided to senior Executives of the Company as set forth in the Company's handbook or other policies that are in effect at any given time, and as amended. Notwithstanding the foregoing, Executive shall be entitled to five (5) weeks' vacation annually. In addition to vacation, Executive shall be entitled to the number of sick days, paid holidays and personal days per year that other senior Executive officers of Company are entitled to under Company's policies. Executive acknowledges and agrees that the accrual, carryover, and other rights related to vacation days and sick days, and all other rights and obligations relating to vacation and sick days shall be in accordance with the Company's policies.

(e) Services Furnished. Unless otherwise consented to by Executive, during the Employment Period Company shall furnish Executive with appropriate office space at its corporate office and such other administrative support and services on a basis that is mutually acceptable to the parties.

(f) Director and Officer Liability Insurance. During the Employment Period Company shall obtain and maintain officer and director liability insurance in such amounts as the Board shall so determine. Executive will be a named insured on each such policy and will be entitled to indemnification by the Company as set forth in the Indemnity Agreement set forth in Exhibit B

(g) Executive Benefit Plans. During the Employment Period, Executive (and Executive's spouse and dependents to the extent provided therein) shall be entitled to participate in and be covered under all benefit plans or programs maintained by Company from time to time for the benefit of their senior executives including, without limitation, all medical, hospitalization, dental, disability, accidental death and dismemberment and travel accident insurance plans and programs. Company shall at all times provide to Executive (and their spouse and dependents to the extent provided under the applicable plans or programs) (subject to modifications affecting all senior executive officers of Company) the same type and levels of participation and benefits as are being provided to other senior executives of Company (and their spouses and dependents to the extent provided under the applicable plans or programs). During the Employment Period, Executive shall be eligible to participate in all pension, retirement, savings and other Executive benefit plans and programs maintained from time to time by Company for the benefit of their senior executives.

6. Termination. Executive's employment may be terminated during the Employment Period under the following circumstances:

(a) Death. Executive's employment hereunder shall terminate upon their death.

(b) Disability. Company shall have the right to terminate Executive's employment hereunder at any time after Executive becomes "Totally Disabled." For purposes of this Agreement, Executive shall be "Totally Disabled" upon Executive's inability to perform the essential functions of the duties and responsibilities contemplated under this Agreement for a period of more than 30 consecutive days in any 12-month period or 60 total days in any 12-month period due to physical or mental incapacity or impairment, as determined in the reasonable judgment of an independent physician selected by the mutual agreement of both parties. Such termination shall become effective five business days after Company gives notice of such termination to Executive, or to their spouse or legal representative. During any period that Executive fails to perform Executive's duties hereunder as a result of incapacity due to physical or mental illness (the "Disability Period"), Executive shall continue to receive the compensation and benefits provided by Section 5 of this Agreement until Executive's employment hereunder is terminated pursuant to this Section 6(b) or Section 7; provided, however, that the amount of base compensation and benefits received by Executive during the Disability Period shall be reduced by the aggregate amounts, if any, payable to Executive under any disability benefit plan or program provided to Executive by Company.

(c) Cause. Company may terminate Executive's employment hereunder for Cause at any time if Company has "Cause" and gives written notice thereof to Executive any time after the Company has actual knowledge of the occurrence of such "Cause". For purposes of this Agreement, the term "Cause" shall mean any of the following: (i) the continued failure or refusal of Executive to perform Executive's material duties hereunder (other than as a result of Disability) or to comply with the reasonable and good faith lawful instructions of the Board of Directors; (ii) the engaging by Executive in gross misconduct or gross negligence in connection with the performance of their duties or otherwise which is materially and demonstrably injurious to Company's business or reputation; (iii) perpetration of a fraud against or affecting Company or any of its clients, suppliers, agents, or Executives; (iv) any willful or intentional act that injures the reputation, business, or business relationships of Company or Executive's reputation or business relationships; (v) Executive's willful material failure to comply with, and/or a willful material violation by Executive of, the written internal policies and/or procedures of Company or violation of any laws or regulations applicable to Executive's conduct as an Executive of Company or applicable to the conduct of the business of Company; (vi) Executive's conviction or plea of nolo contendere of a felony or any crime involving fraud, dishonesty or moral turpitude; or (vii) the material breach by Executive of a covenant set forth in this Agreement.

(d) Good Reason. Executive may terminate Executive's employment hereunder at any time if Executive has "Good Reason" and gives written notice thereof to Company within 90 days of Employee's actual knowledge of the occurrence of such "Good Reason". For purposes of this Agreement, the term "Good Reason" shall mean: (i) any material diminution in Executive's duties, title, authority, or responsibilities; (ii) a reduction in Executive's Base Salary, (iii) a material adverse change in benefits not affecting other senior level executives of Company performing similar functions as Executive; (iv) a material breach by Company of any material provision of this Agreement; (v) the sale of the capital stock of Company or all or substantially all of the assets of Company to, or the merger of Company with, a third party that is not a 100 percent-owned subsidiary of Company (a "Change of Control") if after six months following the Change of Control, Executive provides a minimum of 60-days' written notice to the Company that Employee elects to terminate this Agreement at the end of said 60-day period, provided, however, that, if susceptible of cure, a notice of breach by Executive pursuant to this Section 6(d) shall be effective only if, within 30 days following delivery of a written notice of breach by Executive, Company has failed to cure the circumstances giving rise to the Good Reason. Following any such notice, Company may reduce or remove any and all of Executive's duties, positions, and titles with Company and Executive shall resign from any and all positions with the Company, any subsidiary and any other entity with respect to which Executive provides service at the request of the Company.

7. Compensation Following Termination. Upon the execution and delivery of a Waiver and Release Agreement signed by Executive releasing all claims against the Company and its executives, directors and employees, other than as prohibited by law:

(a) Termination by the Company other than for Cause. In the event that Executive's employment hereunder is terminated by the Company other than for Cause prior to the end of the Employment Period, then immediately following such termination, Executive shall be entitled to the following compensation and benefits:

- (i) A severance payment equivalent to the lesser of (i) Base Salary that would have been paid to Employee through the end of the Employment Period or (ii) twelve (12) months of Base Salary;
- (ii) Payment for any unused vacation accrued to the date of termination, as provided in the Company's policies applicable as of the effective date of termination;
- (iii) Payment for any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with Section 3 of this Agreement; and
- (iv) Any benefits to which they may be entitled upon termination pursuant to the plans and programs referred to in Section 3(g) hereof in accordance with the terms of such plans and programs or as may be required by applicable law.

(b) Termination by the Executive for Good Reason. In the event that Executive's employment is terminated prior to the expiration of the Employment Period by Executive for Good Reason, immediately following such termination, Executive shall be entitled to the following:

- (v) Those items identified in Section 7(a); and
- (vi) For the remainder of the Employment Period, or, if longer, for a period of six months after termination of employment, in the event Executive elects continuation coverage under the applicable state or federal law, the Company shall reimburse Executive for the premium payments made by Executive for such continuation coverage.

(c) Termination for Cause. In the event that Executive's employment hereunder is terminated by the Company for Cause prior to the end of the Employment Period, then immediately following such termination, Executive shall be entitled to any unpaid compensation and unreimbursed expenses.

8. Exclusive Employment; Nondisclosure of Proprietary Information; Surrender of Records; Inventions and Patents.

(a) No Conflict; No Other Employment. During the period of Executive's employment with Company, Executive shall not: (i) engage in any activity which conflicts or interferes with or derogates from the performance of Executive's duties hereunder nor shall Executive engage in any other business activity, whether or not such business activity is pursued for gain or profit and including service as a director of any other company, except as approved in advance in writing by the Company or (ii) accept or engage in any other employment, whether as an Executive or consultant or in any other capacity, and whether or not compensated therefor.

(b) Proprietary Information. Executive acknowledges that during the course of their employment with Company Executive will necessarily have access to and make use of proprietary information and confidential records of Company and its affiliates. Executive covenants that Executive shall not during the Employment Period or at any time thereafter, directly or indirectly, use for their own purpose or for the benefit of any person or entity other than Company, nor otherwise disclose, any Proprietary Information to any individual or entity, unless such disclosure has been authorized in writing by Company or is otherwise required by law. Executive acknowledges and understands that the term "Proprietary Information" includes, but is not limited to: (i) the software products, programs, applications, and processes utilized by Company or any of its affiliates; (ii) the name and/or address of any client of Company or any of its affiliates or any information concerning the transactions or relations of any client of Company or any of its affiliates with Company or such affiliate or any of its or their partners, principals, directors, officers or agents; (iii) any information concerning any product, technology, or procedure employed by Company or any of its affiliates but not generally known to its or their clients or competitors, or under development by or being tested by Company or any of its affiliates but not at the time offered generally to clients; (iv) any information relating to the computer software, computer systems, pricing or marketing methods, sales margins, cost of goods, cost of material, capital structure, operating results, borrowing arrangements or business plans of Company or any of its affiliates; (v) any information which is generally regarded as confidential or proprietary in any line of business engaged in by Company or any of its affiliates; (vi) any business plans, budgets, advertising or marketing plans of Company; (vii) any information contained in any of the written or oral policies and procedures or manuals of Company or any of its affiliates; (viii) any information belonging to clients of Company or any of its affiliates or any other person or entity which Company or any of its affiliates has agreed to hold in confidence; (ix) any inventions, innovations or improvements covered by this Agreement; and (x) all written, graphic and other material relating to any of the foregoing. Executive acknowledges and understands that information that is not novel or copyrighted or patented may nonetheless be proprietary information. The term "Proprietary Information" shall not include information generally available to and known by the public or the industry or information that is or becomes available to Executive on a non-confidential basis from a source other than Company, any of its affiliates, or the directors, officers, Executives, partners, principals or agents of Company or any of its affiliates (other than as a result of a breach of any obligation of confidentiality).

(c) Confidentiality and Surrender of Records. Executive shall not during the Employment Period or at any time thereafter (irrespective of the circumstances under which Executive's employment by Company terminates), except as required by law, directly or indirectly publish, make known or in any fashion disclose any confidential records to, or permit any inspection or copying of confidential records by, any individual or entity other than in the course of such individual's or entity's employment or retention by Company. Upon termination of employment for any reason or upon request by Company, Executive shall deliver promptly to Company all property and records of Company or any of its affiliates, including, without limitation, all Confidential Records. For purposes hereof, "Confidential Records" means all correspondence, reports, memoranda, files, manuals, books, lists, financial, operating or marketing records, magnetic tape, or electronic or other media or equipment of any kind which may be in Executive's possession or under their control or accessible to him which contain or depict any Proprietary Information. All property and records of Company and any of its affiliates (including, without limitation, all confidential records) shall be and remain the sole property of Company or such affiliate during the Employment Period and thereafter.

(d) Enforcement. Executive acknowledges and agrees that, by virtue of their position, their services and access to and use of Confidential Records and Proprietary Information, any violation by their of any of the undertakings contained in this Section 8 would cause Company and/or its affiliates immediate, substantial and irreparable injury for which it or they have no adequate remedy at law. Accordingly, Executive agrees and consents to the entry of an injunction or other equitable relief by a state or federal court located in the City and County of Denver restraining any violation or threatened violation of any undertaking contained in this Section 8. Executive waives posting by Company or its affiliates of any bond otherwise necessary to secure such injunction or other equitable relief.

(e) Cooperation with Regard to Litigation. Except to the extent that Executive has or intends to assert in good faith an interest or position adverse to or inconsistent with the interest or position of Company, Executive agrees to cooperate reasonably with Company, during the Employment Period and thereafter (including following Executive's termination of employment for any reason), by making herself available to testify on behalf of Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to assist Company in any such action, suit, or proceeding, by providing information and meeting and consulting with Company or their representatives or counsel, or representatives or counsel to Company, in each case, as reasonably requested by Company. Company agrees to pay (or reimburse, if already paid by Executive) all expenses actually incurred in connection with Executive's cooperation and assistance including, without limitation, reasonable fees and disbursements of counsel, if any, chosen by Executive if Executive reasonably determines in good faith, on the advice of counsel, that it is appropriate that Executive be separately represented by their own counsel in such proceeding.

(f) Nondisparagement. Executive shall not, during the Employment Period and thereafter, disparage in any material respect Company, any affiliate of Company, any of their respective businesses, any of their respective officers, directors or Executives, or the reputation of any of the foregoing persons or entities (the "Company Parties"). The Company Parties shall not, during the Employment Period and thereafter, disparage in any material respect Executive. Notwithstanding the foregoing, nothing in this Agreement shall preclude Executive from making truthful statements that are required by applicable law, regulation or legal process or are reasonably required to describe the conduct, decisions, or policies of the Company or any of its affiliates, or their respective businesses, officers, directors or Executives.

9. Choice of Law; Consent to Arbitral Jurisdiction; Venue. This Agreement shall be governed by and construed (both as to validity and performance) and enforced in accordance with the laws of the State of Texas, without regard to the principles of conflicts of law or where the parties are located at the time a dispute arises. Any dispute arising out of or relating to this Agreement or the employment of Executive by Company shall be settled exclusively in arbitration, conducted before a single arbitrator in Dallas, Texas in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect. The decision of the arbitrator will be final and binding upon the parties hereto. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Nothing herein shall limit Company's right to seek injunctive or other equitable relief as described in Section 8(d), above, from a state or federal court in the City and County of Dallas.

10. Successors; Binding Agreement.

(a) Company's Successors. This Agreement shall inure to the benefit of and be enforceable by, and may be assigned by Company without Executive's consent, to any affiliate of Company, any purchaser of Company's business or assets or a portion thereof, or any successor to Company or any assignee thereof (whether direct or indirect, by purchase, merger, consolidation or otherwise), it being understood, that nothing in this Section 10(a) shall affect Executive's right to terminate their employment for Good Reason.

(b) Executive's Successors. The parties hereto agree that Executive is obligated under this Agreement to render personal services during the Employment Period of a special, unique, unusual, extraordinary and intellectual character, thereby giving this Agreement special value. Executive's rights and obligations under this Agreement shall not be transferable by Executive by assignment or otherwise, and any purported assignment, transfer or delegation thereof shall be void; provided, however, that if Executive shall die, all amounts then payable to Executive hereunder shall be paid in accordance with the terms of this Agreement to Executive's estate.

11. Insurance for Company's Benefit. Company may at any time and for Company's own benefit (or for the benefit of a lender to Company) apply for and take out life, health, accident or other insurance covering Executive, either independently or together with others, in any amount which Company may deem to be in its best interests. Company shall own all rights in such insurance and proceeds thereof, and Executive shall not have any right, title or interest therein. Executive shall assist Company at Company's expense in obtaining and maintaining any such insurance by submitting to reasonable and customary medical examinations and preparing, signing and delivering such applications and other documents as reasonably may be required.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing or by email and shall be deemed to have been duly given when delivered either personally or by United States certified or registered mail, return receipt requested, postage prepaid, or when the recipient acknowledges receipt in writing (including by email), addressed as follows:

If to Executive:

Jennifer Gaines
[***]

If to the Company:

XTI Aircraft Company
8123 InterPort Blvd., Suite C
Englewood, CO 80112
Attention: Chief Financial Officer

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Miscellaneous. No provisions of this Agreement may be amended, modified, or waived unless such amendment or modification is agreed to in writing signed by Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged. No waiver by either party hereto at any time of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The respective rights and obligations of the parties hereunder of this Agreement shall survive Executive's termination of employment and the termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

14. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Section 409A of the Code. Company makes no representations regarding the tax implications of the compensation and benefits to be paid to Executive under this Agreement, including, without limitation, under Section 409A of the Code. The parties agree that in the event Executive or Company reasonably determines that the terms hereof would result in Executive being subject to tax under Section 409A of the Code, Executive and Company shall negotiate in good faith to amend this Agreement to the extent necessary to prevent the assessment of any such tax, including by delaying the payment dates of any amounts hereunder.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

17. Entire Agreement. Except as otherwise provided herein, this Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, Executive or representative of any party hereto in respect of such subject matter. Except as other provided herein, any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

19. Non-contravention. Company and Executive each represent to the other that Company and Executive, as the case may be, are not prevented from entering into, or performing, this Agreement by the terms of any law, order, rule or regulation, by-laws or declaration of trust, or any agreement to which Company or Executive, as the case may be, is a party.

20. Section Headings. The section headings in this Agreement are for convenience of reference only, and they form no part of this Agreement and shall not affect its interpretation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

/s/ Jennifer Gaines
Jennifer Gaines, an individual

XTI Aerospace, Inc.

By: /s/ Brooke Turk
Brooke Turk
Title: Chief Financial Officer

SCHEDULE A

[To be agreed and added hereto pursuant to Section 5(c)]

SCHEDULE B

Executive serves in the following roles or on the following Boards or Committees:

Texas Women's Foundation, Member

XTI Aerospace Appoints Distinguished Attorney and Business Leader Jennifer Gaines as Chief Legal Officer

ENGLEWOOD, Colo., October 30, 2024 /PRNewswire/ -- XTI Aerospace, Inc. (NASDAQ: XTIA) (“XTI Aerospace” or the “Company”) today announced that Jennifer Gaines has joined the Company as its Chief Legal Officer, effective October 28, 2024. Ms. Gaines will report directly to the Company’s Chairman and CEO, Scott Pomeroy, and will be responsible for overseeing all XTI Aerospace’s legal and compliance functions.

Ms. Gaines brings a wealth of in-house counsel experience spanning diverse industries including technology, telecommunications, aerospace, and private equity. Prior joining XTI Aerospace, Ms. Gaines held senior legal leadership positions at Nemetschek Group, SoftwareOne, Shift Technologies, OneSource Virtual, Weblink Wireless, and Patriarch Partners. Her extensive experience is complemented by a strong commitment to mentoring and leadership within the legal community, highlighted by her membership in various professional organizations. She earned her J.D. from the University of Tulsa and a B.A. from Baylor University.

Scott Pomeroy, CEO of XTI Aerospace, commented, “We are thrilled to welcome Jennifer to XTI Aerospace. With nearly three decades of leadership and legal experience across multiple sectors of the technology industry, she brings a wealth of knowledge to XTI Aerospace. Her extensive experience and strategic mindset will be invaluable as we execute on our regulatory and commercialization strategy to bring the TriFan 600 to market as rapidly and efficiently as possible.”

“I am excited to join the XTI Aerospace team as their Chief Legal Officer,” said Ms. Gaines. “I believe XTI Aerospace has the potential to transform its segment of the aviation industry, and I look forward to being a part of this groundbreaking journey. I am eager to leverage my experience to support our innovative initiatives and to ensure we navigate the complexities of the legal landscape with integrity and excellence.”

About XTI Aerospace, Inc.

XTI Aerospace (XTIAerospace.com) (NASDAQ: XTIA) is the parent company of XTI Aircraft Company, an aviation business based near Denver, Colorado, currently developing the TriFan 600, a fixed-wing business aircraft designed to have the vertical takeoff and landing (VTOL) capability of a helicopter, speeds of 345 mph and a range of 700 miles, creating an entirely new category – the vertical lift crossover airplane (VLCA). Additionally, the Inpixon (inpixon.com) business unit of XTI Aerospace is a leader in real-time location systems (RTLS) technology with customers around the world who use the company’s location intelligence solutions in factories and other industrial facilities to help optimize operations, increase productivity, and enhance safety. For more information about XTI Aerospace, please visit XTIAerospace.com, and follow the company on LinkedIn, X, and YouTube.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact contained in this press release, including without limitation, statements about the products under development by XTI Aerospace, the advantages of XTI Aerospace’s technology, and XTI Aerospace’s customers, plans and strategies are forward-looking statements.

Some of these forward-looking statements can be identified by the use of forward-looking words, including “believe,” “continue,” “could,” “would,” “will,” “estimate,” “expect,” “intend,” “plan,” “target,” “projects,” or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts, and assumptions that, while considered reasonable by XTI Aerospace and its management, are inherently uncertain, and many factors may cause the actual results to differ materially from current expectations. XTI Aerospace undertakes no obligation to revise any forward-looking statements in order to reflect events or circumstances that might subsequently arise. Readers are urged to carefully review and consider the risk factors discussed from time to time in XTI Aerospace’s filings with the SEC, including those factors discussed under the caption “Risk Factors” in its most recent annual report on Form 10-K, filed with the SEC on April 16, 2024, and in subsequent reports filed with or furnished to the SEC.

Contacts

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